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# Near East/North Africa Report

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13 May 1981

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INTER-ARAB AFFAIRS

BRIEFS

IRAQI PRESSURE ON KUWAIT--An English newspaper has just revealed a new plot hatched by the Iraqi Government. The plot's goal is to gain control over two Kuwaiti islands in order to use them as military bases against Iran. Yesterday's DAILY TELEGRAPH states that Saddam Husayn's regime is putting pressure on Kuwait in order to convince the latter country to give it the two islands, Wariah and Barbiat. In addition, the DAILY TELEGRAPH reported that when Iraqi Interior Minister Sa'adun Shakir went to Kuwait last month he made an official request to the Kuwaiti Government with the aim of taking over the two strategic islands. The newspaper added that Saudi Arabia, which has sided with Iraq in its war against Iran, has shown great anxiety at this Iraqi initiative. Saudi Arabia has even seen it as part of a plan of Saddam Husayn's aimed at controlling the entire Persian Gulf and imposing a dictatorial regime on the Gulf countries. [Text] [Paris BULLETIN QUOTIDIEN DE L'AGENCE JAHANIRIYA-PRESSE in French 19 Mar 81 p 3] 9631

IRAQ SUPPORTS LIBYAN OPPPOSITION--Iraq: Response to Qadhafi: Unhappy about the aid Libya is giving to the Iranians, Iraq has decided to support Libyan opposition in exile in order to destabilize Colonel Qadhafi's regime. Commando groups made up of Libyan dissidents are said to be currently in training near Baghdad. [Text] [Paris LE POINT in French 23 Mar 81 p 64] 9631

IRAQI GRANT TO MAURITANIA--Iraq has decided to offer an ID. 1.5 million grant to Mauritania to construct a television station in Nouakchott. Iraqi and Mauritanian technical departments will jointly cooperate to build the TV station. [Text] [Baghdad BAGHDAD OBSERVER in English 4 Apr 81 p 1]

CSO: 4820/307

INSURGENTS SEEN BESIEGING KARMAI IN KABUL

Frankfurt/Main FRANKFUTER ALLEGEMEINE in German 25 Apr 81 p 3

(Report by Thomas Ross, datelined New Delhi, 24 April: "Karmal's Regime--Besieged at Home")

(Text) On 27 April the Afghan Communists will celebrate the third anniversary of their seizure of power, the so-called Great Saur Revolution (Muslim month), while besieged in their own country. The Soviet occupation forces and the dwindling Afghan Government Army (whose loyalty is doubtful anyway) control less territory than ever before. After the winter break the Mujaheddin (resistance fighters) self-confidence has grown by leaps and bounds. According to diplomatic circles (including probably the Soviets also) the situation in Kabul is extremely tense on the eve of the celebrations which, just like last year, were held virtually in private. The Afghan Government forces are on top alert. Murders of government functionaries in the capital and its vicinity are reported almost daily, and the dead are alleged to include some senior officials. As reported by diplomatic sources more funeral processions than usual were observed last week, some accompanied by very tight security due to the attendance of senior government and party representatives.

Sporadic exchanges of fire are heard in Kabul every day, although some of them may well occur in the course of training for the celebration of the revolution. On 17 April a reliable witness observed the downing of an aircraft, probably a Soviet or Afghan helicopter, 3 km east of Kabul Airport.

The visit to Jalabad, the eastern provincial capital, by party and state chief Babrak Karmal on 19 April demonstrated how much the regime must consider itself beleaguered in its own country. Karmal's first trip to the province since his installation by the Russians on 27 December 1979 was surrounded by the most rigid security precautions. Karmal flew to Jalalabad, and his armored limousine was airlifted there also. The journey takes 3 hours by car, but the highway is often blocked by rebels, and to this day neither Soviet nor Afghan forces have been able to secure the road for any length of time. According to foreign diplomats Karmal inspected military installations, accompanied by the Chief of the General Staff and other senior officers. He is also alleged to have addressed tribal elders.

A few kilometers away begins the territory controlled by the Mujaheddin. According to many reliable informants, the insurgents move quite freely in many parts of Afghanistan. They give the impression of being the undisputed masters. Not a

single main road, not even the one leading from Kabul to the Soviet Union, is secure from attacks by the Mujaheddin. In recent weeks some quite large Afghan and Afghan-Soviet convoys were attacked in several places, most of the trucks unloaded and buried. In some instances the Mujaheddin in fact give the truck drivers proper receipts with the sneering remark "thanks for your cooperation." Buses are brought to a stop by insurgents, the passengers examined and, lately, required to pay 50 afghanis a head.

Armed clashes are reported from 23 of the 29 provinces. In recent months Kandahar and Herat have been entirely or partly in the hands of the insurgents, and battles raged. The daring of the Mujaheddin who, even in Kabul, attacked senior Afghan officials and, according to credible reports, Soviet military men also in broad daylight, demonstrates their growing self-confidence.

The resistance fighters are now much better armed and have more ammunition than before. They have refined tactics, combat methods and organization, strengthened co-ordination between the various combat groups and perfected their reconnaissance network. That is the unanimous opinion expressed in many reports. They are also obviously at pains to lessen their disunion. Here the fighting insurgents are well ahead of the politicians.

Also much improved by comparison to last fall seems to be the food situation of the guerrillas and the remaining villagers--men only--who help them. In Nangarhar Province (Jalalabad) correspondents of the LOS ANGELES TIMES and the TIMES noted that 90 percent of fields were cultivated and a good harvest expected. Enterprising traders bring tea, sugar and salt to the villages.

While the ranks of the government forces continue to dwindle, those of the insurgents keep expanding. In addition to soldiers more and more teachers, students and city dwellers are joining the tribal fighters. As guerrilla warfare persists and the insurgents gain confidence, more people obviously cannot keep aloof any longer. A contributory factor is the government's attempt to make induction of all able-bodied men compulsory.

The guerrilla fighters are armed with Russian Kalashnikovs, old British Lee-Enfield rifles and a few light machine guns. The TIMES correspondent even saw a 20-mm twin anti-aircraft gun. The insurgents continue to lack antitank and anti-aircraft weapons and are therefore harrassed most by the ME-24 heavy helicopter gunships and the MiG fighter bombers. They are also short of drugs to treat the casualties and the sick. Their weapons are of Chinese, Egyptian, American and Soviet origin.

Some small garrisons of the government army can be supplied only from the air. The Soviet forces attack in daylight only, helicopters fly up and down the rocky mountains searching for the guerrillas. When they find any, they guide tank columns, helicopter gunships and fighter bombers to the area. These subsequently return to their camps and garrisons. They also organize retaliatory attacks on villages, destroy houses and the harvest. Nevertheless the losses of men and material seem to be relatively light among the villages and Mujaheddin.

The bottom line for 3 years of communist rule in Kabul is this: A beleaguered regime, growing and better organized resistance, a Soviet occupation power which has so far

been incapable of taking the initiative so as to consolidate the regime. Twenty percent of the population, largely women, children and the old, have fled to Pakistan and Iran.

Of course next Monday Babrak Karmal will describe the situation in very different terms, putting it in a much more favorable light. Among the preeminent features of Marxist ideology is a well developed ability for self-deception. A few days ago Karmal told an Indian reporter that he could not say which areas were controlled by the insurgents, "because the bandits do not fight face to face with our forces." He continued: "We could annihilate them (the guerrillas) within 2 or 3 months, but the influx of mercenaries from across the border continues."

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CSO: 4403/52

PARTY SECRETARY HAILS SUCCESS IN BALKH PROVINCE

East Berlin HORIZONT in German Vol 14 No 9, (22 Feb) 81 pp 14-15

/Report of Interview with Yasin Sadiqi, provincial secretary of Balkh Province, by Edmund Jungel/

/Text/ Biographical Data

Back in Kabul I had already been told a lot of interesting things about Yasin Sadiqi. I was therefore looking forward to the trip to Mazar-e Sharif, the capital of Balkh Province, where I was going to have an opportunity to meet with this representative of the new Afghanistan in "his world."

Specialist and Party Official

With the help of comrades on the provincial committee we (a small group of reporters) were able to track down Yasin Sadiqi who is rarely to be found at his desk in the state oil enterprise, because he is mostly out and about.

Frankly and openly, without any formality, (just as we had been told he would) he responded to our request for obtaining as much information as possible about the province, its residents and problems as well as about him, the secretary of the party committee.

The stocky dark haired provincial secretary soon turned out to be an ebullient and enthusiastic "narrator" who seemed once again to live everything he told us about "his province," wondering at the same time whether he had correctly dealt with the issues as they arose. And there was much to tell. However, let me begin with his own story.

Yasin Sadiqi was born in 1945, in the small Kabul suburb of Kamari. His father, a retired army man, was involved in the 1919 struggle against the British for the preservation of Afghanistan's independence. After his discharge from the army, the family lived in poverty. Yasin Sadiqi went to school in a small town in Samangan Province, where his father had found a modest job. With a little luck the father succeeded in getting his son accepted at a teachers training college in Kabul and, subsequently, at Kabul University.

In 1966 Yasin Sadiqi began to study in the USSR, at the Moscow Mendeleev Institute. After that he continued his studies at the philosophy department of the University for Marxism-Leninism.

He returned home in 1972 and became chief engineer at the nitrogen fertilizer plant near Mazar-e Sharif which, at that time, was still under construction and is now among the most impressive witnesses of Soviet aid to Afghanistan. In 1973 he was called up, and his military service was followed by the resumption of his work as chief engineer in the same plant, where he soon became director. That job, however, did not last long. Even as a schoolboy Sadiqi had sympathized with the progressive groups in Afghanistan; in 1968 he joined the DVPA /Democratic People's Party of Afghanistan/. For his political activism in the DVPA (since his return from the USSR Sadiqi was a member of the provincial committee) he was dismissed and compelled for quite a long time to make a living as best he could on the fringes of legality before finding another employment as lecturer at a Kabul technical college.

A few months after the 1978 April Revolution he was reappointed director of the nitrogen fertiliser plant, only to be dismissed yet again after 6 months--this time at the direction of Hafizullah Amin. Yasin Sadiqi is loath to recall the months which followed, because they were among the most trying in his life. As he told us the story, it was due only to the assistance of his friends and comrades that he escaped arrest and survived the Amin era. Many of his comrades fell victim to Amin's terror, along with thousands of plain workers and farmers.

Following the onset of the second stage of the national democratic revolution in December 1979 a provisional provincial council was set up in Mazar-e Sharif, and Sadiqi became a member of this body. For some time he again worked in the plant before the DVPA Central Committee decided to appoint him secretary of the provincial committee.

As regards his personal life, Yasin Sadiqi is married and has two sons, aged 6 and 4 respectively. His wife is a school principal, DVPA member since 1967 and secretary of a basic party organization.

#### Report of Interview with Yasin Sadiqi

Judged by its territory Balkh Province is one of the smaller provinces of Afghanistan, but it is one of the most important from the economic aspect. At the moment it has almost 400,000 residents who are members of various national groups, including Tadzhiks (33 percent), Pashtuns (some 25 percent), Uzbeks, Tatars, Turkmen and Baluchis. The provincial capital Mazar-e Sharif has about 38,000 residents.

The problems confronting the province at the time of the 1978 April Revolution did not significantly differ from those to be settled in the country as a whole: Economic and cultural backwardness, feudal and semifeudal conditions, abject poverty of the majority of the people, their economic and intellectual enslavement by the ruling upper stratum. No wonder, therefore, that the working masses approved the revolution and its program, regardless of the fierce resistance put up by the former rulers who tried to bring to bear all their influence, especially on the once totally subjected farmers.

And yet, said Yasin Sadiqi, it was necessary to take into account some special features of Balkh Province, which distinguish it from many others. The province is among the relatively advanced regions of the country from the aspect of industrialization. Some 30 industrial plants, including the modern state nitrogen fertilizer works with nearly 3,000 employees, a cotton gin, an oil mill, a weaving mill, textile and foodstuffs factories, and so on are located in and near Mazar-e Sharif. These are now partly in private hands, partly in the mixed sector. Famous are the karakul pelts and carpets produced mainly by craftsmen. The province has a total of 12,000-13,000 workers; this is a significant source of strength and develops more and more support for revolutionary changes.

Of immense economic importance for the country are the river port of Hairaton at the USSR border and the "highway of friendship" running through the province from the port city to Kabul.

Particularly evident in this province is the large volume of aid given by the USSR to Afghanistan for many years, obviously with even greater emphasis since the April Revolution and, most of all, the beginning of its second stage. That is a fact which, according to Sadiqi has had a tremendous impact on local attitudes to the revolution and the new popular power.

To further describe the economic potential of the province it should be mentioned that it has deposits of coal, iron ore, sulfur, copper and gold, although these have not yet been properly explored and are therefore mostly unmarked on the maps.

In comparison with the average of the country agriculture also operates in relatively favorable conditions. An extensive irrigation system, including complex traditional underground irrigation channels and pumping stations supplied by the USSR, allow irrigation of up to 60 percent of arable land. The main products of farming are wheat, cotton, sugar beet, oats, vegetables and fruit (melons, dates, peaches, almonds, apricots and grapes). Sheep and beef cattle dominate animal husbandry.

#### Key Point Agriculture

The overwhelming majority of Balkh Province residents live in rural areas. For that reason the development of farming is of outstanding economic and political significance for this province also. In this connection Yasin Sadiqi pointed out that the agriculture conference, held in Kabul in spring 1980, provided decisive impetus for the shaping of farm policy, especially the pursuit of the democratic land reform, but also for the improvement of farm yields. At that conference Babrak Karmal presented the guidelines for the development of this important sector. On the same occasion Sadiqi was appointed representative of the provincial secretaries in the Presidium.

Full of justifiable pride he reports that the province may claim progress in the pursuit of the land reform. That applies especially to the amelioration of the gross distortions of the party line, which were frequent in the past; especially the many inadequacies and injustices involved in the redistribution of land. Consequently the peasantry had come to distrust the state power. He noted that the results of the current policies had begun to emerge: The harvest plan for 1980 was fulfilled to 100 percent, moreover increases in the yield of up to 300 percent were registered compared with the 1979 harvest. That is one of the results of the provincial party organization's strenuous political labors and the efforts of other social

forces, such as the youth organization. Now the relationship between the farmers and the new organs of power is characterized by growing trust.

The two state farms in the province (1,400 and 1,200 hectares respectively) are already most important as agricultural model enterprises. Also important is the central machinery and tractor center which was able increasingly to offer technical assistance to the farmers. State organs also help the farmers with fertilizer, seed, and so on. Special care was taken to look after the young cooperative movement which continued to develop well in 1980.

#### Increased Activism by Social Forces

Among the main tasks of the provincial secretariat is constant concern with raising the activism of all social forces in the province. The Balkh Province party organization has currently some 1,500 members and candidate members. Their ranks are reinforced mainly by the admission of workers and farmers. The questions to be answered by the applicant are usually simple yet totally relevant in prevailing conditions: Why did you come, what do you intend to do as a candidate party member to help the revolution advance further?

Also remarkable is the fact that almost all workers in the province, that is around 12,000, are members of the labor union which is increasingly active in close cooperation with the DVPA.

The youth organization has about 3,000 members, the women's organization some 500. Yasin Sadaqi expects new and crucial impetus for the further mobilization of all social forces from the recently decided establishment of a National Front of all patriotic forces.

As a rule life in the province is calm and normal. The people pursue their peaceful labors and, in their daily lives, are increasingly persuaded that the leadership of the country under Babrak Karmal champions their interests and defends them: In short, their trust in the state power is growing.

It is precisely this normalization and stabilization which international reaction wishes to prevent. It serves itself of the former, now powerless, exploiters and their henchmen. Let us recall the cowardly killing in Mazar-e Sharif of 21 people, including women, children and old folk, when bandits exploded a dynamite store; the attempt of bandits (who like to involve Islam) to blow up the world famous Hazrat 'Ali Mosque in Mazar-e Sharif, a Muslim shrine which annually attracts tens of thousands of the faithful from Afghanistan and the Islamic world.

Still, all these operations controlled from abroad, mainly the United States and China, have been unable to undermine the popular power; they merely deepened public hatred for the counterrevolution and increased public resolution together with the security organs to make an end of this mischief. That is demonstrated by many examples. Sadiqi reported, for instance, that agreements on self-defense against such attacks have been concluded with many settlement and tribal communities, and that to some extent the state organs make available weapons to such self-defense groups. The groups for the defense of the revolution set up everywhere, especially in workshops and factories, have become one of the main forces in the fight against the

counterrevolution. At their core are some 600 members of the DVPA and the youth organizations who, together with the state security organs and the armed forces, actively participate in the liquidation of still persisting groups of bandits.

#### 'Pioneer of the Future'--A Model

The provincial secretary is particularly concerned with the nitrogen fertiliser factory because it is by far the largest production plant in the province and has enormous economic as well as political import.

The factory operates on gas produced in the neighboring province of Javzayn and carried to the plant by pipeline. 'Abdul Zamad Qayumi, director of the factory, was chief engineer at the time that Yasin Sadiqi was works director. Ever since they have been close friends.

The factory began operating in 1974 and, as 'Abdul Zamad Qayumi explained to us earlier, now produces the projected volume of 105,000 tons of nitrogen fertiliser per annum as well as other valuable byproducts. The fertiliser is an important prerequisite for the further development of agriculture and also a significant export item. Within the production complex is a thermal power plant (also fueled by gas), which supplies electricity to the factory as well as to Mazar-e Sharif, Balkh and other cities in the province.

Since the April Revolution the working and living conditions of blue and white collar workers in the factory have notably improved. That applies to wages as well as several social and cultural benefits which the factory is able to award its employees because it is operating with increasing profit.

Though he himself no longer works at the factory, Sadiqi maintains many direct contacts with his former field of operations by way of the work of the independent party committee which counts more than 300 DVPA members. Sadiqi calls the factory a "pioneer of the future." Party work and living conditions are an indivisible unit as far as the provincial secretary is concerned.

He constantly reiterates that "not the factory as such but the social conditions involved are the real novelty in our society and therefore represent a model for the future development of our province."

#### Concern for Everybody's Wellbeing

As you may notice from the above, the provincial secretary lacks neither work nor anxieties. Early in the morning the members of the provincial committee and the Mazar-e Sharif city committee meet with him for important discussions and the exchange of information. This is followed by talks with 'Abdul Gayoum Basharyar, provincial governor, the army units and other security organs as well as representatives of social organizations, meetings with representatives of all strata of the population, workers, farmers, soldiers, intellectuals and clerics, traders and private entrepreneurs, at all of which the goals of the revolution as well as the ways and means to accomplish them are explained. The secretary is known personally by all circles and administrative districts in the province. On Islamic holy days he is

also to be seen in the mosque in order clearly to show that religion has been assigned a definite place in social life. We again met Yasin Sadiqi when, at the side of the provincial governor and in deep mourning, he accompanied the coffin of a major in the armed forces who had given his life in the struggle against the counterrevolution.

Everybody we talked to was full of appreciation for Sadiqi's achievements in his relatively brief period of office.

He himself deems it most important that the many efforts are already bearing fruit. "Much has changed since the beginning of the second stage of the revolution," he tells us, "the situation has gradually returned to normal and is now stable, the local party organizations have been strengthened. The revolutionary order is consolidating, the counterrevolution no longer has the slightest chance of success. Especially thanks to the generous aid from the USSR important progress could be accomplished in many sectors. The lives of the people are beginning to improve."

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ARIANA AIRLINES TO PURCHASE BOEING 707

Kabul HEYWAD in Dari 11, 12 Apr 81 p 3

[Excerpts] In an interview with HEYWAD correspondent, an official from Ariana gave the following details on Ariana's activities during the last year, its number of flights, type of aircraft and the future work schedule of that organization:

"Development and progress of airlines depend on various political and economic factors in the world and the region which by necessity have a direct impact on their financial status. Thus, due to international tension and the ever-increasing effect of inflation on the world market, there has been a decline in sales and a number of international airlines have suffered great losses in 1980 and predict further losses in 1981. On this basis and due to unfavorable operational conditions of the DC 10 aircraft presently being repaired in France for certain technical problems, the Ariana Airlines does not consider it economical and based on the board of directors' approval, it plans to sell and replace it with a Boeing 707 which is in every respect more suitable for Ariana. It is hoped that by purchasing the said aircraft current problems of Ariana can be alleviated and its further development plans can move ahead successfully."

The same source added: "The Ariana Airlines presently owns two 707's and one DC 10 mentioned above. It has a sales office in Kabul and another one in Qandahar. Ariana schedules are arranged according to the requirements of international civil aviation and has five weekly flights between Kabul, Amritsar and New Delhi, and three weekly flights from Kabul to Europe--presently via Moscow--to Frankfurt, Paris, London and Amsterdam and a weekly flight from Kabul to Tashkent and Moscow. The Tehran and Istanbul flights have been suspended due to Iran-Iraq war. Furthermore, during the Hajj pilgrimage season, the Ariana Airlines plays a more active role. Also, for the convenience of our fellow-citizens, it has flights to Qandahar."

The source added: "Although the rates for each passenger from various points of departure have been set according to international schedule of rates, and depending on the flight distance, nevertheless, Ariana gives a 40-percent cash discount to Afghan citizens on Euro--in flights." He went on to say: "Under the present conditions, when the enemies of the revolution carry out their unjust and destructive acts, both the party and government have succeeded in moving the wheels of progress forward with speed. Thus, in spite of all forecast about enemy's planned destructive acts, the Hajj flights by Ariana in 1980 were conducted successfully."

"Furthermore, after the qualitative changes of 27 December 1979 and since the second phase of the April revolution, both our party and government have paid special attention to the progress of Ariana and its employees. In 1980, for the first time in the history of Ariana, its employees benefited from retirement pension and a group of them received decent salaries after 12 years commensurate with their jobs. It is further planned to give necessary fringe benefits to deserving employees."

"Ariana has carried out some impressive major activities in 1980, among them: setting up technical and vocational courses; arranging seminars for station managers in marketing, elimination of their problems and finding new ways and methods to prevent Ariana from encountering the type of crisis that other airlines will face in 1981. Also, as a result of Iran-Iraq war, Ariana has been faced with severe economic setbacks, because its flights to Europe had to be rerouted via Dubai and Syria which was quite long and costly. But as a result of the attention of the government of the Democratic Republic of Afghanistan and the Soviet assistance as well as the activities of the Ariana personnel, the flights to Europe were reported and are being made via Moscow. Thus a large volume of losses has been prevented. In addition, as a result of having combined the flight 604 with flight 701, and flight 605 with flight 702 which was accomplished through agreement and assistance of the friendly neighbor, the Soviet Union, the Kabul-Moscow-Kabul passenger transport takes place by flights 701 and 702 instead of two separate flights; and this has resulted in a savings of 50 million aghanis."

In conclusion, the source stated:

As a result of assistance from the Ministry of Finance, a duty-free shop has been set up at Kabul airport as in most other international airports."

O: 4906/13

## INSURANCE COMPANY PROFITS ANNOUNCED

Bahrain GULF MIRROR In English 28 Mar-3 Apr 81 p 19

(Text) **AL AHLIA**, Bahrain's only locally-owned insurance company, has announced a profit for 1980 of BD 344,389, an increase of 41 per cent over the BD 244,602 earned in the previous year.

While in 1979 premium income just exceeded BD 2 million, in 1980 the company beat the BD 3 million barrier for the first time.

Although the premiums underwritten by Al Ahlia amounted to BD 3,000,142, the actual premium income that the staff had to handle on behalf of the company and on behalf of the various consortia led by Al Ahlia amounted to BD 4,897,572.

### Strength

The recommended distribution of a 29-per cent dividend will have brought the shareholders a return of 70 per cent over the four years of the company's existence. In the same period the shareholders' equity has grown from BD 500,000 to BD 952,672.

General manager John Llewellyn said in view of the company's financial strength the board considered it unnecessary to call up the remaining BD 500,000 of Al Ahlia's authorised capital.

### By Staff Reporter

which it would normally be required to do after four years' operation.

The board therefore sought and obtained the permission of the Ministry of Commerce, to reduce the authorised capital to the BD 500,000 already paid up — a move thought to be without precedent in Bahrain.

A summary of the results of the five separate insurance departments shows that the largest gross premium income came from general accident insurance (BD 946,000) followed closely by fire (BD 863,000). Together these two departments accounted for 61 per cent of gross premiums.

Motor insurance represented another 18 per cent, marine 16 per cent, and aviation 5 per cent.

By far the highest number of claims (BD 325,000 out of net revenues of BD 404,000) was lodged with the motor department which reported a net income of only BD 10,939 against BD 122,500 for general accident and BD 109,600 for marine.

The directors report notes that the investment portfolio plays an important part in the company's financial structure.

Investment income rose

from BD 64,000 in 1979 to BD 121,000 in 1980 and Al Ahlia's shareholdings in public companies increased 702 per cent from BD 103,000 to BD 206,900.

Among the companies of which Al Ahlia is a founder are Al Ahli Commercial Bank, Bahrain Light Industries Company, Trafico Gulf Enterprises, Arab International Insurance Company EC, and the Bahrain Oil Park Company.

Al Ahlia also has BD 171,000 invested in land in the diplomatic area with a fifth and final payment on this investment becoming due next month.

• The results of Al Ahlia's branch in Al Khobar, Saudi Arabia, are consolidated in the head office financial statement.

CONTRACT LET FOR NEW ISLAND FOR STEEL COMPANY

Bahrain GULF MIRROR in English 21-27 Mar 81 p 22

[Article by Mary Prings]

[Text]

AL JAZEERA Contracting Company EC which put in a successful \$15 million bid to create a new island for the Arab Iron and Steel Company, is expected to name an Asian company for the dredging sub-contract.

A spokesman said the area to be reclaimed is almost twice as big as the neighbouring Asry shipyard and involves the dredging and pumping of 6.5 million cubic metres of landfill.

Commerce Under-secretary Hassan Al Nasif said exempt companies such as Al Jazeera were permitted to tender for work in Bahrain only with permission from the Ministry of Commerce. This had been granted since the construction of a 4 million tonnes a year pelletising plant was a large scale project open to international tender.

Al Jazeera is the main contractor for the site work while Ahmed Mansoor Al A'ali is the nominated sub-contractor for the slope protection work.

A separate contract for which tender documents will be issued in the second week of April, covers the construction of a jetty to berth 65,000 dwt. bulk carriers drawing up to 14 metres of water. An award is expected to be made in May.

Meanwhile, the two companies bidding for the process technology and turnkey plant construction contract, Kobe Steel and Lurgi/Hitachi, are due to submit their final offers by March 21 and AISC hopes to reach a decision by mid-April.

The pelletising plant is due to open at the end of 1983, with the construction work scheduled for completion 24 months after the first section land is reclaimed.

In last week's report, the value of the dredging and land reclamation contract was incorrectly quoted as \$50 million.

## BRIEFS

CENSUS RESULTS--Bahrain's population is 358,857, a third of them foreigners. The results of Bahrain's sixth census, taken between April 6 and 15, were presented to the cabinet yesterday. They show an increase in the island's population of 142,779 in the past 10 years since the census of 1971. At that time foreigners made up 17.53 percent, against the new total of 32.4 percent--32,878 in 1971 compared to the current figure of 116,261. The total population figure also shows a 399 percent increase since the first official census was taken in 1941. Of the total population, 210,391 are males and 148,466 are females. The percentage of males is 58.6 percent. [Excerpt] [CF271100 Manama GULF DAILY NEWS in English 27 Apr 81 p 1]

BANAGAS PROFITS--Bahrain's National Gas Company ended its first year of operations in 1980 with a bumper BD16.118 million profit. And profits in 1981 are currently running at more than BD2 million a month. At the company's annual general assembly it was announced that last year's profit was used to write off pre-operating expenses of BD3.655 million and in making early loan repayments. A company spokesman said 1981 profits and cash generated should enable all loans originally totally more than BD28 million, to be repaid by May this year. The spokesman said that with the repayment of the loans, the company would become a substantial contributor to the economy of Bahrain. [Text] [Bahrain GULF MIRROR in English 28 Mar-3 Apr 81 p 1]

SOLID GROWTH FOR BAI (Middle East) Incorporated has announced a 1980 profit of \$1,502 million in its fifth annual report--the last in which the bank appears as the branch of a foreign company. From January 1 this year all assets and liabilities were transferred to BAI (Middle East) EC, a Bahrain Exempt Company. The bank is a wholly-owned subsidiary of Compagnie Arabe et Internationale d'Investissement (CAII), whose shareholders include Arab banks and investment companies in the Arab countries as well as a number of European and US majors. The issued capital of BAI (Middle East) Inc, which is incorporated in Panama, was doubled in December 1980 by the subscription of a further \$5 million, and shareholders funds at year-end amounted to \$18.9 million, against \$12.6 million in 1979. Managing director Gerald Tedder said 1980 had been a year of solid if unspectacular progress, in which the balance sheet grew from \$298 million to \$358 million, and loans and advances increased from \$130 million to \$175 million. The \$1.5m profit represented a 19-per-cent return on shareholders' average equity and a return on average assets of 0.44 per cent. [Text] [Bahrain GULF MIRROR in English 28 Mar-3 Apr 81 p 19]

**AL-SADAT TO VISIT SUDAN FOR MEETING WITH NUMAYRI 25 MAY**

**Invitation From Numayri**

NC271340 Cairo MENA in English 1300 GMT 27 Apr 81

[Text] Cairo, 27 Apr (MENA)--President Ja'far Numayri of the Sudan is making widespread contacts to call to summit in Khartoum the heads of state of the nine countries of the Nile Basin.

The meeting will be attended by the heads of state of Egypt, Sudan, Ethiopia, Kenya, Tanzania, Rwanda, Burundi, Zaire and Uganda.

It will discuss questions of interest to the Nile Basin countries. Cairo weekly MAY newspaper said today President Numayri will inform President as-Sadat of the results of his contacts when President as-Sadat visits Sudan on May 25.

President al-Sadat has accepted an invitation from President Numayri to attend celebrations of the May 25 revolution in Sudan. MAY said the Mengistu government of Ethiopia is being persuaded to cooperate with African countries, particularly Nile Basin countries.

**Discussion Agenda Reported**

NC281029 Cairo MENA in Arabic 0650 GMT 28 Apr 81

[Text] Cairo, 28 Apr (MENA)--A well-informed Sudanese source has told Cairo's AL-AKHBAR that President Anwar al-Sadat's meeting with Sudanese President Ja'far Numayri on 25 May in Khartoum will be the beginning of joint political action between Egypt and Sudan.

The paper today reports that the discussions between Presidents al-Sadat and Numayri will center on questions of great importance, including the adoption of new steps to expeditiously implement the joint economic projects in accordance with the integration program. Important steps will be discussed to promote the relations between the two countries in various political and military fields within the framework of the joint defense agreement ratified between the two countries in 1976.

The paper adds that Presidents al-Sadat and Numayri will also discuss the tense situation in Chad in light of the latest developments and the Libyan regime's persistence in subjugating the Chadian people's will for the purpose of implementing foreign powers' plans to penetrate the African continent. They will also discuss the joint Sudanese-Egyptian stand to be taken at the forthcoming African summit conference in Nairobi, and at the world level, in order to enable the people of Chad to determine their future.

The paper says that Cairo and Khartoum have obtained information of utmost importance regarding the communist plan in the African continent.

AL-AKHBAR says that the talks will also deal with the Arab situation as a whole in light of the current developments and Sudan's steps for bolstering Arab solidarity together with Egypt.

It is known that President Numayri recently declared that he would resume his efforts to promote Arab solidarity and close the Arab ranks as well as to intensify all efforts to confront the new challenges and deal with them in such a way as to safeguard the Arab homeland against whatever threatens it.

AL-AKHBAR has learned that the talks between the two presidents will also deal with other issues of great importance to the procedural plan of the two countries in the coming phase.

CSO: 4820/306

**ARMED FORCES CONDUCT LIVE AMMUNITION EXERCISE 25 APR**

NC251725 Cairo MENA in Arabic 1650 GMT 25 Apr 81

[Text] Sinai, 25 Apr (MENA)--This morning, formations and units of the Egyptian armed forces carried out an exercise with live ammunition in Mitla Pass area in Sinai which were aimed at building defensive positions in the mountain areas and the strategic passes. Various units of the air defense, artillery, mechanized infantry, tank, shock troops, electronic warfare units, airborne units and the air force took part.

The exercise, which lasted about 4 hours and which was attended by Armed Forces Chief of Staff Lt Gen 'Abd Rab al-Nabi Hafiz, manifested the high capability of the army units in executing their mission. It also showed the close cooperation among the various services within the framework of maintaining the combat efficiency of the forces and securing their permanent readiness to successfully implement their combat mission.

The exercise outlined the importance of building defensive positions in mountainous areas against any enemy offensive which would prevent the enemy from approaching or spreading out while inflicting the greatest possible losses on it. The exercise also affirmed the importance of the joint arms fighting system which, during the stages of the exercise, showed that the infantry, armored units, artillery, the air force or the air defense forces could not singly achieve victory but all the services must cooperate together at the appropriate time and place.

At the end of the exercise, the chief of staff praised the capability and combat efficiency of the forces which participated in the maneuver and said that fighting in mountainous areas was the most difficult and hardest kind of fighting.

The chief of staff noted that the exercise showed in a practical and effective way the best means of fighting in mountainous areas and it showed the need for adhering to the system of cooperation among the air and land forces whether in airborne, evacuation or supply operations.

The exercise was also attended by Air Maj Gen Muhammad Lutfi Shabanah, the commander of the air force; Maj Gen Muhammad Nabih al-Sayyid, the chief of the armed forces training staff; Maj Gen Muhammad 'Atiyah Sulayman, the commander of the central military area; Maj Gen Qadri 'Uthman, the commander of the 3d Field Army; and several high-ranking officers of the armed forces.

CSO: 4802/674

**EGYPT**

**EGYPT-SUDAN ECONOMIC COMMITTEES ISSUE STATEMENT**

NC292105 Cairo MENA in Arabic 1420 GMT 29 Apr 81

[Text] Cairo, 29 Apr (MENA)--The joint statement issued today by the economic affairs committees of the Egyptian and Sudanese people's assemblies expresses full support for the wise policy pursued by Presidents Anwar al-Sadat and Ja'far Numayri. It speaks of the need and importance of exchanging visits between the committees of the two assemblies, as well as the importance of convening a joint session of the two assemblies in the near future to follow up the implementation of the recommendations already made regarding integration between Sudan and Egypt.

The statement emphasizes that the Sudanese delegation's visit to fraternal Egypt, coming immediately following the resumption of diplomatic relations between the two countries, has strengthened the ties of fraternity and friendship between them. It adds that the talks between the two sides centered especially on issues pertaining to economic integration and the need to urgently take many steps to promote this integration. It calls for speedily creating a joint bank, under the name of the Islamic Nile Valley Bank, to finance the economic cooperation and integration projects between the two countries, with the Egyptian and Sudanese Governments as well as the private sector in both countries contributing to its capital.

The statement points to the need to change legislation and unify procedures in the fields of customs duties, import and export and investment, all in the service of this economic integration which will ultimately lead to political integration.

The Sudanese parliamentary delegation arrived in Cairo on 17 April for a 12-day visit at the invitation of the Egyptian People's Assembly.

CSO: 4802/674

## SIGNIFICANT ISSUES DISCUSSED BY SPOKESMAN NABAVI

Tehran ETTELA'AT in Persian 8 Apr 81 p 2

[Text] At a press conference yesterday, attended by local and foreign correspondents, the Minister of State for Executive Affairs and chief government spokesman, Behzad Nabavi, discussed such issues as the attempt on Reagan's life, budget deficit, war victims, industrial stability, Japan's petrochemical industry in the south and the reason for holding meetings with cabinet members and governors-general.

In answer to a question about the position of the government of the Islamic Republic of Iran regarding the assassination attempt on Reagan, his replacement by George Bush and Haig's visit to the Middle East, the Minister of State for Executive Affairs said:

In countries like the United States, political figures are just pawns that are moved and this basically, does not affect policies pursued by a superpower. For that reason, the government of the Islamic Republic of Iran does not consider the event important. Nothing has in fact changed to necessitate a declaration of position.

### Budget Deficit

Questioned about the amount of the deficit in the budget, he said: 35 billion tumans had been added to the proposed amount bringing the total to some 87 billion tumans, part of which was savings from the previous year.

Concerning the increase in cube and granulated sugar quota for rural areas, he said; There is need for more sugar in rural areas, because people in these areas are generally deprived of sweets. To make up for this deficiency rural areas will be given more sugar.

### Dissatisfactions Resulting from the War

He was asked about dissatisfactions resulting from the war and about what the government is planning for war victims. Mr Nabavi said: We have had little contact with general dissatisfaction which you mentioned. If people knew the reasons for the shortcomings and the shortages, they would realize that these are not the fault of the government and that the government will do its best to help the people and if any problem existed it was not the result of official indifference. These have been resulted from the war and its consequences which, thank God, the people are aware of.

## Industrial Stability

Speaking of industrial stability in the country, the Minister of State said: This is related to general stability and order in the country. Possibilities for such lack of coordination exist when counterrevolutionaries are not met decisively. There are certain groups in factories who are conspiring to lower the level of production and paralyze the government. Their main objective is the lowering of the level of production as there is not much gain in political and social aspects. They are aiming at an economic blow. By taking decisive actions we are going to have less problems such as these next year. These shortcomings are much less now compared to last year and are negligible if compared with the first year of the revolution.

About the expropriation of properties belonging to supporters of the former regime, he said: Many factories whose owners have fled and whose properties are subject to expropriation, have already been either nationalized or expropriated.

Regarding the improvement of agriculture, Mr Nabavi said: We have given priority to our agricultural problems. National Iranian Oil Company is giving some 150 gasoline stations to farmers in the country so that they could take advantage of the existing benefits. We have asked radio and television to bring this to the attention of the farmers in their special programs for farmers. We will continue our efforts in this matter.

## Petrochemical Industry in the South

Concerning the situation of the petrochemical industry in the south, Nabavi said: Negotiations have been carried out in this respect and Japan has promised to begin its activities in the near future.

Regarding the quiet at the war front following the Imam's order, Nabavi said: The morale of our armed forces has improved tremendously. As of 26 Esfand (17 Mar) we have achieved many victories. Victories achieved by our fighting men at the fronts in Susangerd, Maynak and Chaghalvand, as well as the recent victories by our air force, are the best proof. Reports from various fronts indicate complete satisfaction with our fighting men.

About the selection of the Foreign Minister, Nabavi said: As approved by the Majlis, the Ministry of Foreign Affairs is under the supervision of the Prime Minister and he will be acting accordingly.

On the subject of a mission going to Moscow to discuss trade exchanges and road-building, Mr Nabavi said: The mission is being sent by the Ministry of Roads and the matters to be discussed are road-building, transportation and transit problems as well as the railroad system which is of great importance.

On the subject of the non-aligned movement and arrival of the group in Iran, Nabavi said: Following a meeting of the foreign ministers of the non-aligned nations and their resolution a group consisting of the foreign ministers of Cuba, India and the Palestine Liberation Organization was formed and charged with the carrying out of the article 26 of the resolution. The group is supposed to visit Iran this week in an effort to learn about Iran's point of views regarding the Iraqi-imposed war.

As to the motives for holding a joint session of the cabinet ministers and the governors-general in different cities in the country, Mr Nabavi said: Coordination among officials is the main objective.

He added: Before the revolution officials were only pawns. After the revolution they became individuals with their own views. Their joint session is simply for the purpose of coordinating their activities and for becoming more familiar with cities and provinces of the country.

In conclusion, Mr Nabavi vehemently denied that any negotiation was being discussed with the Ba'thist regime.

9561  
CSO: 4906/224

## MILITARY AID GIVEN TO SADDAM BY U.S. 'ALLIES'

Tehran ETTELA'AT in Persian 4 Apr 81 p 1?

[Text] When the first moments of Iraq's invasion of Iran began at dawn on 31 Shahrivar (22 September) of last year, we wrote that it was not Iraq that was invading our Islamic country but that it was America that had empowered Saddam to invade Iran.

To those who follow a different line, and to those who believe that Iran must, of necessity, be affiliated with this or that source for survival, the said fact is still elusive; they still pretend in their sayings and writings as if this invasion is a "Gulf war," one fought over border disputes, as if Saddam Takriti has made this shameful gamble on his own personal "initiative."

But with the passage of days, this aggression and its varicolored aspects expose the profile of its principal architect and engineer--the United States of America--and deals a smacking punch on the mouth of those people who divert the attention of the Iranian nation and of the Islamic nations from their principal and real enemy and from the factor of the misery of the Middle Eastern nations by bringing up secondary issues, by stoking futile disputes, and by inculcating baseless theories.

If--assuming the impossible--Saddam was not affiliated with or sold out to any party or quarter before invading Iran, the very essence of his aggression against Iran and of his drawing the sword on the Islamic Republic of Iran proves that he moves in the direction of America's interest and ambition. The Islamic Republic of Iran is the only nation that has broken the back of the American colonialism in the region; it is the only nation that has spoken out for the freedom of all the expressed nations of the region and of the world--whether Moslem or non-Moslem. Whose or which government's interests are threatened by such a nation, such a system and such a sacred ideal? The fabric of which colonialist is vulnerable in this process? The short-term and long-term plans and schemes of which power are undermined? The answer is the government that has replaced all the colonial powers in the region after World War II; it is the government that does not stop short of employing even the dirtiest methods and of supporting the most abominable dictators in advancing its world conquering and expansionism; it is the colonialists whose crimes and conspiracies against Iran and all the nations of the region were revealed by an exemplary quantity of documents in its espionage nest in Tehran.

Therefore, whoever brandishes his sword on this Republic or whets the sword of this Republic's enemies, has in fact sharpened the sword of America, of the world colonialism and oppression. He who makes for weakening of this republic overtly or covertly, he is putting wind in the sails of the real enemy of the Moslems and in the sails of the bloodsucking enemy of the oppressed nations of the world.

Does one have to furnish more proof of Saddam's subservience and devotion to America? See who has been underpinning him since his aggression against Iran, and who has been patting him on the back with encouragement. Egypt, Jordan, Saudi Arabia, United Arab Emirates and some other governments in the region. Namely, the regimes whose existence is a spinoff of the multi-centennial influence of British colonialism in the region and who have been bequeathed to America upon the wane of the British Empire. They are the regimes that if the protective shadow of the United States of America is removed from over their heads even for one instant, the volcanic eruption of the hatred of their nations would burn them into ashes. They are the regimes that oil the wheels of the arms manufacturing plants of America and its "friends" at the expense of sending their nations' oil wealth down the drain.

They are the regimes who are, in the words of the Palestinian fighters, a thousand times more dangerous to Islam and to the Arabs than is Israel. They have proved this point by their signing the ignominious Camp David Pact or by their invisible and visible support of the said pact. They are such regimes that "invite" America to send AWACS and set up bases in Moslem lands. Is there still any doubt about the fact that Saddam's aggression is American inspired?

Each day a new unpalatable and emetic loaf of bread is baked in the oven of the cruelty and conspiracy of colonialism. News agencies revealed yesterday yet another proof of this American invasion. It was learned that despite its apparent conflict with Saddam, Sadat's regime has despatched to Iraq 8,000 tons of weaponry the Soviets had supplied to Egypt years ago. Now that Egypt has Americanized everything and it has no use for the Russian hardware, these can be given to Saddam with Saudi and Jordanian "mediation!" America's role is visible in the mosaic of the daily tactics of Saddam against Iran. When Tariq Aziz, Saddam's deputy, returned to Baghdad from his repeated visits to Moscow empty-handed, America recommended to all its "friends" and "Allies" in Europe, Asia and Latin America to help Saddam. Brazil has supplied Iraq with 1,000 troops carriers and an assortment of artillery in exchange for oil. As Iraq's oil revenue has dwindled as a result of war, Saudi Arabia has been supplying Brazil with oil in Iraq's place.

In its biggest ever deal with an Arab government, Spain has agreed to sell canons, tanks, planes and war boats to Iraq in the value of \$900 million. Thus, Spain has become the third largest supplier of arms to Iraq.

Italy, another European ally of the United States, has signed a two billion dollar-arms-sale contract with Iraq. Apparently those arms would include several warships and submarines.

Although West Germany, a principal European rival of the United States in arms production, apparently has not yet signed a major arms deal with Iraq, yet political observers believe that a portion of the \$14 billion arms deal with Saudi Arabia is meant for re-export to Iraq.

France, another American ally in Europe, has not fallen behind the caravan and has signed a \$400 million contract with Saddam to sell Iraq a variety of rockets in lieu of Soviet rockets.

In the midst of all these, England that claims a longer colonialist history in Iraq, dating back to more than 100 years ago, demands a bigger share of the bootv. So, Iraq has opened negotiations for the purchase of 200 tanks and some other weapons from England.

At any rate, a look at the said chain of actions indicates why America and its "friends" in the region and in other parts of the world have attached their hearts to Saddam's fate. Iran's perseverance and the hard sacking in the face the Iranian nation has given Iraq has shown them that not only does Saddam lack the competence to become the "gendarme" in the West of the Persian Gulf, but it has also failed to weaken the Islamic Republic. That explains why so many arms and ammunitions are being given to Iraq.

Those who are familiar with the post-war colonialism know well that it thrives on shedding blood. It is blood that fuels the satanic mill of colonialism, namely its arms manufacturing industry which sucks the rich resources of the war-stricken countries by the financial centers of the colonialist countries. Adam's invasion has created an atmosphere of war craze and bloodshed in the Middle East which is a boon for colonialism and its satanic mill. By fanning this fire colonialism manages to sell its "fireworks." Which fool can serve this purpose better than Saddam and which opportunity would have been better than this?

9695  
CSO: 4906/223

## REPORT ON RESISTANCE GROUPING STATEMENT

NC011756 (Clandestine) Voice of Iran in Persian 1805 GMT 30 Apr 81

(Text) The third statement of PARS organization which has been formed with the merger of a number of national resistance groups of Iranians to fight against the Mullahs' regime has been received by us.

In the beginning of the statement it is said: Our third message is coupled with two happy tidings. The first is that the PARS women's organization has been formed with the participation of a large number of Iranian women and declared its formation by issuing a statement. The second tiding concerns the merger of the politico-military Deshban organization with our organization and naturally this can be extremely effective in the victory of the Iranian people. When these brave people became acquainted with our political program and when (?they saw the unity of Iran's liberation army with us), or found us pursuing the same path as that pursued by Iran's armed liberation forces and, finally, when they realized that our (word indistinct) activities in various branches have been confirmed by Dr Shahpur Bakhtiar, the leader of the National Resistance Movement of Iran, they considered themselves as one with us and bravely joined our organization.

Only the honor that any place and anywhere a group of patriots is forming they are drawn toward us and consider our organization as a (?fully qualified) organization and the strong bastion of patriotism is sufficient for us. We extend our hand, with ever more sincerity, toward all the different groups and strata of the people of the homeland and declare that we are prepared to exert all our strength and to use all our possibilities to assist any gathering the path of which is lit with the flame of patriotism.

The PARS National Resistance Movement ends its statement by stating: Iran, this pure land of the Aryans, should stay alive and ever lasting and with the efforts of you, the brave people, our tricolor lion and sun flag will soon unfurl on the world scene with the same grandeur and respect (?that it enjoyed in the past).

Long live Iran, its tricolor lion and sun flag and constitutional monarchy!

CSD: 4906/249

**RAFSANJANI REMARKS ON BAKHTIAR DISCUSSED****NC011646 (Clandestine) Radio Iran in Persian to Iran 1330 GMT 1 May 81**

(Excerpts) Dear Compatriot: Hashemi-Rafsanjani, the ruthless and detestable mulah, speaker of the disgraceful majlis of sheykh, babbled a great deal in front of people like him and, in a tone which was openly full of (?maliciousness), said: We have a report that in Germany in one of the hotels the group of Bakhtiar, Reza Pahlavi, Qasemiu, a representative of Iraq and representatives of the Khalq hypocrites--apparently meaning the Mojahedin--and other groups have gathered and have hatched a plot to create great disturbances in Iran.

Mr Rafsanjani, you and your associates and master should know that Bakhtiar et, according to yourself and to the news which they have given to you, the Bakhtiar group, does not need to hatch a plot against you, despised and ignoble people. As you yourself have heard and have read in repeated and various reports which they give you daily, the majority of the people of Iran, be they in Tehran or in the north and south of the country or in the east and west of Iran, have understood the logic and truth in what is said by Bakhtiar, the leader of the National Resistance Movement of Iran, confirm his actions and struggles and, at the same time have well understood your filthy nature and the filthy nature of your regime.

Mr Rafsanjani, Bakhtiar is not thinking of plotting "a great disturbance" in Iran. Bakhtiar and the National Resistance Movement are actually actively working 24 hours a day, but they are thinking of saving Iran from your clutches and undoubtedly in order to obtain this they have a plan which will soon be implemented.

Now if you want to call it the plan for "a great disturbance," it is up to you. For Bakhtiar and the Iranian nation this plan is the plan for Iran's salvation.

CSO: 4906/249

'VOICE OF IRAN' ON SHAH'S INTERVIEW WITH 'AL-QABAS'

MC011902 (Clandestine) Voice of Iran in Persian 1805 GMT 30 Apr 81

[Text] In its latest issue, the Persian-language London-based weekly POST-E IRAN carries a text of an interview granted by Raza Pahlavi, the young shah of Iran, with Kuwait AL-QABAS newspaper.

In this interview the shah of Iran says in reply to the question on what his opinion is on the rule of Ayatollah Khomeyni: Khomeyni's rule is a rule based on prejudice. We believe in true Islam which considers kindness, moderation and (?sincerity) as the only way which (?life can continue).

The young shah has stated in this interview: I have declared my readiness to accept responsibilities as the legal shah and in order to (?ensure) all the rights and freedoms envisaged in the constitution. I consider myself a partner in the present grief and sorrow experienced by my compatriots and understand their deprivations and the lack of [words indistinct] (?security) and am well aware of what they are going through.

On the Iran-Iraq war, the shah said: Iran's revolution and the (?usurpation of power) by the Mullahs roused the concern of the Iraqi leaders and [words indistinct]. By using the (?disunity) in Iran's armed forces, the chaos and disturbances in Iran, the fact that the illegal regime was involved in a purge of the various social strata and in crushing political opponents and, finally in a struggle for power between the Islamic leaders and the (?calamity) of an economic downfall and, as a result, the halting of oil exports and stagnation in production units, Iraq attacked Iran and occupied part of our territory.

In the interview with AL-QABAS, the young shah says: I pay tribute to the heroes of Iran's army who were martyred in defending the territory of the homeland. They were killed for the sake of preserving national respect and [words indistinct]. It is exactly for these reasons that from the very first days when the war started I (?announced that I want to join the Iranian army).

The AL-QABAS correspondent asks: I want to ask you whether you are afraid to (?surrender) to Ayatollah Khomeyni and if you do not consider fighting in the Ayatollah's army as contrary to your policy?

The shah replies: In this case the topic is only Iran. The Iranian nation rose after Iraq's attack in a united manner to confront it and temporarily forgot the political (?controversies). I have a full military training and have been through a piloting course and am fully acquainted with phantom jets. I decided, as a patriotic Iranian, to place my services at the disposal of the armed forces.

The young shah then said: I think that the present differences between Iran and Iraq are more political differences and differences of opinion than they are border differences. And if the two countries are able to reach an agreement on political objectives, other differences will automatically be solved.

The young shah said: The Iran-Iraq war clarified many problems. Most important of all the lack of a decision making center in Iran. As a result this led to a fight for power, [words indistinct], finally Iran's political isolation, international enmity with the regime ruling in Tehran and the changing of Iran's previous friends to present enemies without gaining new friends. This war aggravated the lack of independence in the Persian Gulf and was effective in the further dependence of this area on Western powers.

At the end of the interview the young shah said: I want my compatriots to confirm me. I trust in their experiences and perceptions and tell them that it is of vital necessity for us to unite with each other in utmost kindness and equality and to rise, without rancour, anger, despair and weakness, to purge future Iran.

CSO: 4906/249

**CENTER ORGANIZES EXTENSIVE DEVELOPMENT IN LORESTAN**

Tehran KEYHAN in Persian 19 Apr 81 p 6

(Text) Khorramabad. In the Province of Lorestan, 159 companies have been registered, and 140 companies have secured loans. Thirty companies have begun operations in industry, 65 in construction and 45 in agriculture.

The chief of the Center To Expand Production and Construction Service in the Province of Lorestan, while explaining the activities of this center last year, said the following:

"Overall a total of 1.6 billion rials of last year's budget was allocated for the Province of Lorestan so that by late March this year 900 million rials of it had been received and put at the disposal of these companies, and the rest of it also is part of the obligations of this center, and it will be disbursed to these companies this year." In connection with absorbing manpower, he said: "People have been put to work as follows: Construction companies--593 persons; industrial companies--320 persons; agricultural companies--270 persons, and in general 1,183 persons are working directly on the provincial level; and about 4,000 persons are working indirectly and on the side in construction, industrial and agricultural companies."

In conclusion, the head of the center added: "Allocations have been made as follows: Construction companies--317 million rials; industrial companies--250 million rials, and a 763.5-million-rial loan has been approved for agricultural companies."

CSO: 4906/247

## BRIEFS

**NATION SEEN AS MODEL--**Popular circles in Northern Ireland are receiving news of the Islamic revolution and the struggle led by the Iranian Muslim people against imperialism with great and growing interest. Our correspondent reports from Belfast that the Irish people view Iran and the struggle of its Muslim people against imperialism as an example and pattern for their struggle. In his report our correspondent quotes an Irish revolutionary leader as saying that Irish revolutionaries fully support Iran's Islamic revolution. [Text] [GPO50442 Tehran International Service in Arabic 0400 GMT 5 May 81]

**TUNISIAN ENVOY MEETING--**The Tunisian charge d'affaires in Tehran has met with the prime minister's assistant, Mohammad Hashemi-Rafsanjani, and has conferred with him. During the meeting the Tunisian charge d'affaires announced his country's support for the Islamic revolution in Iran and called for establishing friendly and fraternal relations with it. He added: The reports printed in some Iranian publications have worried the Tunisian Government. Mohammad Hashemi-Rafsanjani replied: We have a free press in the Islamic Republic. However, it is bound by law to publish a reply to false reports. You can take advantage of this law. He added: The Government of the Islamic Republic of Iran intends to establish friendly and fraternal relations with all Islamic people and incessantly strives to achieve this goal. Referring to the war the Iraqi agent regime has imposed on Iran, Mohammad Hashemi-Rafsanjani said: This regime is using weapons--which should have been used against the Zionist entity--against Muslims, civilian targets and hospitals. We are astonished because not only have Islamic countries remained silent over Saddam's aggressions but also have sided with him and continuously support him at their conference. [Excerpts] [GPO11749 Tehran International Service in Arabic 1430 GMT 1 May 81]

**KURDISH, AZERI UNITY--**The managers of the Islamic Republican regime who have taken fright from the unity and solidarity between the Azeri and Kurdish nations, when seeing that the Iranian peoples along with the Azeri and Kurdish peoples are loudly voicing their protest against the fascist policies of the regime have thought of a [word indistinct] plot and [words indistinct] by creating discord among these two peoples, (?add another few years to their existence). But they are unaware of the fact that the Iranian peoples and especially the Kurdish and Azeri peoples will no longer be duped by their false Islam and are everyday strengthening their unity and solidarity against the dictatorship of fascism. [Text] [TA041527 (Clandestine) Voice of Iranian Kordestan in Persian to Iran 1315 GMT 4 May 81]

WOMEN'S PROTESTS--The struggles of the women of Iran against the medieval Tehran regime continue. Following the demonstrations by our virtuous and intellectual women which were recently held at Tehran University with the participation of 15,000 representatives, a Voice of Iran correspondent reports that during the past week four underground organizations of Iranian women's resistance movements have published hundreds of statements and nightletters throughout the country calling for the freedom of their imprisoned sisters who are in Ayatollah Khomeyni's prisons. In the latest statement which we have received from the resistance movement of combatant women, the Raja'i government has been warned that because of the lack of attention to women political prisoners and despite repeated letters by their families and by international organizations, the health of brave Shahla Yarahmadi and her combatant sister will be endangered because of the tortures inflicted on them by the regime's jail officials and if attention is not given to the release of these women prisoners as soon as possible Mohammad 'Ali Raja'i will bear the consequences. [Text] [NCO11740 (Clandestine) Voice of Iran in Persian 1805 GMT 30 Apr 81]

NATURAL GAS PIPELINE--Work on a natural gas pipeline in Deh Dasht, a district of Kohkiluyh Va Boyer Ahmad, began yesterday. The pipeline is scheduled to be completed in 6 months and will connect this district with the nationwide natural gas pipeline. [GPO41817 Ahvaz Domestic Service in Persian 1330 GMT 4 May 81 GF]

PARIS ANTIREGIME DEMONSTRATION--A Voice of Iran correspondent reports from Paris that yesterday about 60 Iranian students demonstrated in front of the Tehran regime's embassy there demanding the release of (?900) imprisoned students. The demonstrating Iranian students met with (?Bani-Hashemi), the charge d'affairs of Khomeyni's embassy in Paris, and handed him a letter conveying the requests of the Iranian students in Paris. [Text] [NCO22158 (Clandestine) Voice of Iran in Persian 1805 GMT 2 May 81]

NEW SOVIET-IRANIAN AGREEMENT--The Soviet News Agency TASS has reported that a new agreement was signed on Wednesday in Moscow between the Tehran regime and the Soviet Government. By virtue of this agreement, Soviet commercial vessels will transport commodities for Iran. TASS said that the signing of this agreement actually constitutes Soviet assistance toward Iran's economic progress. This agreement supplements the agreement signed last summer between the two governments for Iran's use of Soviet road and water routes. Political observers believe that contrary to the apparent attacks by Ayatollah Khomeyni and the other officials of the regime against the Soviet Union, actually leftist pressures on the Tehran government machinery are paving the way to bringing international communism closer to Iran. [Text] [NCO22204 (Clandestine) Voice of Iran in Persian 1805 GMT 2 May 81]

KAZERUN EDUCATION DIRECTOR--'Abdol Majid Mokhtari has been selected by the Fars Education Department to be the new Kazerun education director. He has assumed his duties. [GPO31211 Shiraz Domestic Service in Persian 1900 GMT 2 May 81 GF]

**LAND RECLAMATION EFFORTS SEEN AS SUCCESSFUL**

Baghdad BAGHDAD OBSERVER in English 29 Mar 81 p 2

[Text] Salinity, that die-hard foe of agricultural development, is receding in many traditionally saline areas of the central and southern parts of the country as reclamation operations began take more effective dimensions.

Although salinity combat operations have not been new in this country nor their importance overlooked before, the more systematic, large-scale land reclamation operations after 1973 have been giving concrete results. The foe is relenting.

The State Establishment for Land Reclamation (SELR), which came into being in 1973, commenced with more serious activity beginning with mustering technical expertise and embarking on the essentially scientific approach of the problem. The Establishment set about conducting ambitious studies befitting with the level of targets.

The Chairman of the SELR told this correspondent that the task was to find the ways and means for fully absorbing and accomplishing the great objectives [word indistinct] with the principal strategic goal--full and comprehensive reclamation of the country's soil. The goal is to be added to the implementation of major agricultural projects envisaged for the northern parts of the country.

SELR's operations in 1976-80 covered 95 million donums with sounding survey operations, 10 million donums with semi-detailed survey, 91 millions with detailed soil survey and 2 million donums with survey for pilot farming. Technical designs were made for nearly 3 million donums and for irrigation and drainage systems to an area of 2,225,000 donums.

Areas assigned for land reclamation during the [words indistinct] was 2 million donums. 1,710,000 donums have been reclaimed to field level and large areas out of reclaimed land have been distributed to beneficiaries. More are to be distributed.

In the domain of scientific research 130 fertility survey experiments have been carried out of which 80 during the last winter season. 106 researches were also done on water, soil and land reclamation. According to plan, the SELR seek to halt erosion involving an area totalling 11 thousand donums presently considered under threat of water courses.

Speaking about the new 5-year plan, SELR chairman, engineer Kanaan Abdul Jabbar says the new plan added other assignments to the SELR. Apart from land reclamation operations, the Establishment has undertaken such rural services as implementing roads, rural housing, dispensaries, schools and provision of water and electricity.

In short, the Establishment is also undertaking the task of rural development side by side with land reclamation in coordination with the competent departments. Modern technology is to be largely introduced in implementation of the provisions of the new plan.

Modern machinery with high productive capacity will replace classical old-fashioned machines in certain projects and there will be expanded use of laserguided apparatuses for control of survey and levelling operations and execution of field drain work.

Mr. Abdul Jabbar thinks the new plan will witness a far-reaching development in the methods of execution and efficiency of work. "Irrigation and drainage pumping stations will now be built according to most economical, simplified but modern specification."

"The systems of operating irrigation networks will henceforth use remote-control and sensing apparatuses that ensure absolute control on water distribution and water levels and discharge in regulators and principal rural outlets."

The modernisation also covers field irrigation methods as to improve irrigation performance such as the use of plastic syphons and gated pipes. We are in the process of compiling a handbook on canals and drains and their establishments with the aim of standardising designs for various projects to be followed by a special guide on maintenance and operation."

The new plan included the introduction of computerisation in the preparation of designs for levelling and survey with possibilities of expanded use to cover programmes, designs and networks of irrigation and drainage.

The new plan requires reclamation of 1,700,000 more donums of land of which a programme was just prepared to reclaim 120,000 donums during the current season. "We have a new ambitious plan for research work for which a high committee for research was just formed to specify subjects of research relating to development of land reclamation designs and work," says Mr. Abdul Jabbar.

"We intend to make full utilisation of space-taken pictures in the sphere of soil sounding operations and soil classification. We have contacts going on with some international organisations for cooperation in the field of interpreting and using pictures taken from space satellites."

The new 5-year plan provides for: 70 million donums to be covered by sounding survey operations, 2,105,000 for semi-detailed survey operations, 11,000 donums for detailed survey operations and 10,000,000 for final survey operation to pilot farming.

It includes preparation of designs for direct implementation of land reclamation area of 620,000 donums, designs for work contract covering an area of 395,000 donums, topographical survey for an area of 621,000 donums and implementations of drainage and irrigation network for an area of 160,000 donums.

In conclusion, Mr. Abdul Jabbar said that his Establishment continued to give absolute priority to the question of gaining additional expertise and qualifying more technical cadres and engineers. Vast training opportunities had been made available to staffers and many were sent for intensive training abroad.

"We have been cooperating with some international institutions and universities in this connection and special courses were sponsored under arrangements with these universities and institutions of which our staffers benefited a great deal," he said.

"In this month of March 15 more Iraqi technicians are leaving for Holland to receive training and in April 25 Iraqis will leave for Britain to receive training to land reclamation under special arrangements ... made with a British university. There are 49 Iraqi specialists now nominated for post-graduate studies abroad too.

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## IRRIGATION PROJECTS CONTINUE DESPITE WAR

Baghdad BAGHDAD OBSERVER in English 1 Apr 81 p 4

[Text]

Other irrigation and drainage projects which the ministry will undertake include Mandili irrigation project, continuation with Badra-Jassan and Kirkuk irrigation projects.

With regard to projects in Euphrates Basin these include execution of Hilla-Kifl irrigation project, construction of a number of water gates on Shamiya and Kufa rivers, putting to tender the new Hindiyah Dam project, study tenders submitted for contracts No.3 and 4 Abu Ghraib and contract No.3 for Saqlawiyah irrigation projects in addition to Iskandaria project.

The Ministry will also analyze the study and estimates of Musayib Kibir project, Dhuwani-Shanafia, Shanafia-Nasiriyah, Kifl-Shanafia projects which cover an area to 1.25 million donums of land.

The Ministry of Irrigation will also improve irrigation projects in northern provinces. It will improve sources of water and clean up the irrigation channels in Duhok, Nineveh, Arbil and Sulaimania Provinces.

In the Saladin Province it will build an irrigation scheme for 10,400 donums of farming land.

Designs and tender documents will be completed shortly for six projects including Kofus and Qara Teppo Dams in Sulaimania Province and Amara irrigation scheme.

The Ministry's plans for this year also include digging 600 arched walls and install pumps on them in addition to other irrigation projects for an area of about 70 million donums of land.

Despite the war imposed on Iraq by the Persian regime the Ministry of Irrigation this year started a number of major irrigation and land reclamation projects and expansion of others started previously. Mr. Abdil Wahab Mahmoud, Minister of Irrigation told correspondents recently.

These projects are Mosul, Dohuk and Hamreen dams.

Work is continuing on dams on which work started in previous years. These are the Haditha dam, Tharthra-Tigris canal and Falluja dam.

The designs and blueprints for Bakhma Dam in Sulaimania Province have been completed and geological and topographical studies have begun on the site of the proposed dam.

The Minister explained that it is planned to build a new dam near Dokan Dam and complete the remaining works on Rutba Dam in Wadi Huran. It is also planned to prepare a feasibility study on dams over al-Adhaim river and continue the work on the water regulator on Basra River.

The Ministry of Irrigation will start studies and final designs for Hafar Dam on Tharthra basin when geological surveys are completed.

The Ministry will also begin this year with designs on Qaem Dam on Khousir River in Nineveh Province, and begin studies on Razka Dam in Arbil Province.

The Ministry has also planned to build a number of small dams drainage systems in the Western Desert of Iraq.

## WORK CONTINUES ON TAJIYAT RECREATION CENTER

Baghdad BAGHDAD OBSERVER in English 28 Mar 81 p 6

(Text)

Work is continuing on Tajiyyat Isle commissioned by Baghdad Mayoralty being built by a foreign firm at a cost of ID 25 million.

The project on which work commenced in July 1980, will be one of the major recreational centres in Baghdad when completed in July 1982.

The Isle is situated on Tigris River north of Baghdad city.

The 1,006,000 sq.m. Tajiyyat Isle recreational centre will have a 3 meter deep artificial lake. It will hold 8,70,000 cu. m. of water fed into it by pumps from Tigris River through a water filtration system.

One of the Isle's high points is a tower, 60 metres high, surrounded by water. On top of the tower will be a tank for drinking water. In addition it will have an enclosed platform high up to which visitors can climb by means of an elevator. From this vantage point the visitors can have a panoramic view of all the city of Baghdad.

In the midst of the man-made lake there will be floating club, including a billiard room at other services.

The Isle will be protected from floods and land erosion by a stone embankment. Along the embankment will be a wharf for river boats and a boat club.

The project includes construction of a number of buildings such as tourist restaurants, three halls of varying designs, an administration building, conference rooms, first-aid, and emergency services.

In addition to restaurants, casinos and sitting halls, and cafeterias, there will be a 720 seat theatre hall, nine 100 seat halls, and an open air cinema.

The Isle will have a special fish food restaurant

Recreational facilities planned include swimming pools, children's play grounds, volleyball, basket ball, football and tennis courts and grounds.

Other attractions included in the project are a lake for amphibious birds, bird cages shop towers, a 1250 metre long cornice, several flower and tree gardens, and a great number of other facilities for tourists and holiday makers, such as car-parks, a supermarket and a bowling club.

## BRIEFS

TRANSPORT AGREEMENT WITH ROMANIA--Iraq and Romania signed two agreements one for transportation of cargo by road and another for the supply of 1,300 railway wagons, Mr. Sa'doun Ghaidan, member of Revolution Command Council, Deputy Premier and Minister of Transport said on his return from Romania on Thursday night. Mr. Ghaidan told reporters that he was conveying the greetings of Romanian President Nicolae Ceausescu to President Saddam Hussein and his appreciation of President Hussein's role in building the new Iraq. President Ceausescu wished the Iraqi people progress and prosperity, Mr. Ghaidan added. He pointed out that Romanian officials whom he met had a full understanding of Iraq's just cause and its stand towards the war with the racist Persians to regain its legitimate rights in its waters and land. He added that means of expanding and developing bilateral cooperation in the field of transport and communications in the common interest of the two friendly peoples were discussed. The Iraqi delegation which included heads of railway, land transport and Iraqi ports establishment and a number of directors-General of the ministry arrived in Bucharest last Sunday. [Text] [Baghdad BAGHDAD OBSERVER in English 28 Mar 81 p 4]

FRENCH SIGN HOUSING CONTRACT--Mr. Shaker Mahmoud Ahmed, Under-secretary for Housing and Reconstruction, signed yesterday the ID. 17.5 million contract won by a French company for building and supplying machinery for three factories for the production of residential units. The factories which will be built within 12-19 months time will each produce 500 housing units per year. [Text] [Baghdad BAGHDAD OBSERVER in English 6 Apr 81 p 4]

COMMUNICATION CONTRACT--Mr. Sa'doun Ghaidan, member of the Revolution Command Council and Minister of Transport and Communications, signed yesterday a contract won by a Japanese company for the implementation of an integrated coaxial projects covering northern region of Iraq. The project, costing 1025 million, and to be completed in 30 months, is to link 38 stations with telephone, radio and television and telegraph communications. The coaxial cable will link Mosul, Kirkuk, Sulaimaniya, Duhok and Arbil cities and villages. Initially, there will be 2,400 telephone lines and two TV channels, two stereo radio stations in addition to four radio channels as well as 180 telephone lines to link Iraq with Turkey via Zakho. [Text] [Baghdad BAGHDAD OBSERVER in English 7 Apr 81 p 4]

**ROMANIAN OIL DEAL**--An agreement for increasing oil exploration and exploitation in the area around Baghdad is to be signed soon. The deal will be made when Iraq's minister for oil, Tayeh Abdul Karim, visits Bucharest for talks with Romania's deputy prime minister and minister for trade and cooperation, Cornel Burtica, and the Romanian minister for mines, oil and geology, Virgil Trofim. Under the agreement Romania, which is a major importer of Iraqi oil, is to help Iraq build two refineries. This is the second ministerial visit which the Iraqis are making to Romania in three months. In February Tahir Tewfiq, the minister for industry and mining, had talks in Bucharest with President Nicolae Ceausescu, Cornel Burtica and Ioan Avram, the minister for machine building industries. The two countries then signed a cooperation agreement for mining. Iraq is Romania's sixth largest trading partner. In 1979 trade between the two countries totalled \$993m, and rose to over \$1bn in 1980 despite the Gulf war. Iraq's major imports to Romania are oil, cotton, phosphates, textiles, iron ore, leather goods and some industrial material. In return Romania exports to Iraq agricultural products (mainly tractors, fertilisers, beef and lamb), wood and furniture, chemical and petrochemical products, and vehicles. Both countries are cooperating in agriculture, irrigation, road construction and the installation of high-voltage electrical lines in Iraq. Romania has over 4,000 specialists working in Iraq. [Text] [London 8 DAYS in English 18 Apr 81 p 47]

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## PROFILES OF PERES ASSOCIATES IN LABOR PARTY

Tel Aviv HA'ARETZ in Hebrew 23 Jan 81 Weekly Supplement pp 5-7

[Article by 'Adit Zertal: "The Victors"]

[Text] In the Labor Party House on Hayarkon Street there is commotion and over-crowding as if the party was already in power. All the external signs of activism and success are already there. The lights in the building are on until the wee hours of the morning, and in the nearby parking lot the cars are being parked in accordance with the "warm bed" system (this expression describes a situation in which as one car pulls out of a parking place another car pulls into it).

All the lines are extended to and from the room of the chairman on the second floor of the building. These are the last days of wine and roses for Shimon Peres, who still does not have the awesome responsibility but is already regarded by everyone as the next prime minister of Israel. He is the political star of the season and the desired face of Israel, at least in the eyes of the world. Last week alone he granted about 20 interviews to Israeli newspapers and foreign communications media, and on the weekend he left to meet with Western European heads of state.

At the second session of the party convention which will open on 1 February he intends to present his proposal for the structure of the government, but still not the ministers. Some contend that he has already missed the opportunity. The secretary of a large district in the party told me that he is worried that Peres is losing the large credit which was given to him at the last convention. "There is a dynamic to non-comment, non-determination. If he exercises his leadership and leads, they will follow him. If he does not lead, and this also means in presenting the leadership team, the formation of cliques and internal fighting will begin."

Peres does not appear concerned. "I have established an objective and I will implement it patiently and consistently as is my custom." He will form his team, he says, in accordance with three key principles: Suitability for the position, representativeness of various components of the party, and ability to work harmoniously.

He considers himself a team man, a man among men. He has always been a man among men. Of too many men, it is claimed. His latest book, in which he sketches the profiles of people with whom he has worked and who have influenced his life or his world outlook, is titled "LEKH 'IM HA'ANASHIM" [Go with the Men], the words of the angel to Balaam in Deuteronomy.

All last week I tried, with the help of Peres' friends and aides (he himself was not ready to participate), to develop a profile of the Alignment government and to fill the key positions in the next cabinet which one must estimate will be in the hands of the Labor Party. The "864,000 Question" of this cabinet is still the finance minister. Peres' choice for this position is already apparently Ya'akov Levinson, the virtually perpetual hidden man of the Labor Party.

For about a year now there have been quiet conversations between the two. There was a meeting in Peres' house 2 weeks before the convention, and Levinson's advocates in the party, 'Uzi Bar'am, Musa Harif, Na'ava 'Arad, 'Amiran Sivan, and Levinson himself were present. Peres gave no commitment at that meeting, but he said, "The one whom I want to be the finance minister in my government knows it." After the convention, the two continued to meet, and at these meetings, Levinson presented his social-economic view and the economic policy which he will try to implement as finance minister. He also presented to Peres his concept of the structure of an economic cabinet which the finance minister is to head. Levinson, say his friends, "did not present conditions to Peres and did not demand the right to veto the economic appointments in the government. He knows that Peres would be unable to agree to such conditions." Nevertheless, they also acknowledge that Levinson is insisting that for the second-ranking economic position, the Ministry of Industry and Commerce, a person of his choice be appointed. His candidate is Raftali Blumenthal, the director general of Koor, who 2 days before the convention was mentioned as a possible candidate for finance minister, primarily by Speiser and the Yahav circle in an attempt to torpedo Levinson's appointment, which is supported by those who had at one time established the Bayt Berl Circle in the party.

Peres, say those who advocate the appointment of Levinson, wants Levinson as the finance minister and needs this appointment both from the party aspect and the broader public aspect. Levinson, who has not yet been a minister, is not connected to any governmental deficiency, and enjoys widespread public credit, will be the new leg in the leadership team, in which the three other legs (Peres, Eban, and Roi Levi) are not exactly new, and will give legitimacy, albeit partial, to the Labor Party's claim of renewal. This appointment, however, creates at least two problems. The first is Levinson himself. Even those who support his appointment are concerned that he himself will ultimately kick over the pail of milk and will frustrate his appointment. The seclusive former kibbutznik and current big banker, has not yet proven that he has the public courage required today of the finance minister and is very reluctant to expose himself to criticism, both within the party and the general public. He has not been forged in the current political furnace, and also his ability to work in an open team and live with viewpoints different than his has not been sufficiently tested. In presenting various conditions which Peres will be unable to accept or in some other way, he is capable at the last minute of removing himself from the position. As someone said, Levinson is concerned that the position will not be officially offered to him, but even more, he is afraid of the position itself.

The other problem which Levinson's appointment as finance minister creates is Gadi Ya'aqovi, the most prominent political-economic person in Peres' closest circle, whom Levinson will not agree to accept as the minister of industry and commerce alongside himself. On the other hand, Ya'aqovi also will not be prepared to accept a second-ranking economic ministry. Ya'aqovi does not have the party

support which is impossible to ignore, and there is also no vociferous public demand. His strength, however, in this complex formulation is in some commitment of Peres, a commitment which has nowhere been verbalized. Among Peres' people today, he is the only one who has virtually supported him in all three of his contests with Rabin. Since RAPI, their political paths are parallel. Their long-term relationship has not been without tensions and low periods, however, there has never been a real split. Peres cannot permit himself not to bring Ya'agovi into the cabinet. In order to seat both Levinson and Ya'agovi at the cabinet table, Peres is likely to spring a surprise and offer Ya'agovi the position of minister of education. Ya'agovi, a person of literary and artistic aspirations, has on more than one occasion stated that he would regard this position as a suitable anvil for his talents and desires.

The Ya'agovi exercise is also not a simple matter, and it has its own problems. What will happen to Dani Ronolio of Hakibbutz Hame'uhad (United Kibbutz Movement), who is certain to be a minister in the Peres cabinet and who considers himself to be a certain candidate for minister of education? And where will Peres express his superiority, if not in some completely surprising and extraordinary appointment of a writer such as S. Yishar or 'Amos 'Oz to the position of minister of education in his cabinet? These questions remain open.

Will Hayim Tzadq be a minister in the Peres cabinet? Tzadq is not a fanatic for the party interest, and when the out-of-power Labor Party was seated on the opposition benches, he left to take care of his own affairs. It was only last year that he resumed party activity, and his support for Peres in the competition, even though it was never shouted from all the rooftops, was very important to the head of the party. Peres would want Tzadq in his cabinet, and in a senior position, either as minister of justice or as a minister without portfolio, but it is said not at too heavy a price. Moshe Shahal, the chairman of the Alignment faction in the Knesset and who was considered the natural candidate for minister of justice before Tzadq's return to the picture, has stated that for the sake of Tzadq he will be prepared to concede the position. There are those who contend that this statement was only designed to foil the Tzadq option. Nevertheless, Shahal, a very experienced jurist, a man from Haifa and a member of the ethnic communities, solves for the composition of the cabinet several problems with one appointment. His membership in the next Labor government is assured, if not as minister of justice then in an economic position. He eventually would not reject even the minister of police although he does not aspire to it.

Other candidates for positions in the government are Musa Harif (or Avraham Katz-Oz, if he is selected by the 'Tnuah Hakibbutzim Vehakevutzot [Union of Kibbutzim and Collective Settlements]); the representative of the cooperative settlements sector in the party (apparently Arik Nehamkin, whom Peres does not fail to praise at every opportunity); 'Adi Amora'i, who was outstanding as the coordinator of the Alignment faction in the Knesset Finance Committee and a confidant of Ya'agov Levinson (to an economic position); Mikha Harish, the party's organization man and one with outside connections who has built himself up patiently and systematically for the position of minister of energy; 'Uzi Bar'am, the secretary of the Jerusalem District, a very close friend of Peres and a natural candidate for minister of immigrant absorption, who prefers, nevertheless, to serve in the coming years as the secretary general of the party and to build it as a key factor in the determination of government and Histadrut policy; and Eliyahu Speiser, the secretary of the Tel Aviv District, no less close to Peres and who is also striving for the position of party secretary general.

Peres, it is said, will make every effort to prevent a competition between the two for the secretary general position and will compensate one of them with a government post.

As for the appointment of a woman to the cabinet, Ora Namir has apparently lost all chances of serving as minister of education and not only because of her support for Yitzhak Rabin. She is even now struggling for her seat in the Knesset. On the other hand, the chances of Na'ava 'Arad, the secretary of NA'AMAT [Working and Volunteer Women, the Histadrut's women's organization] are not insignificant. Nevertheless, Peres is likely to spring a surprise even here and to invite a woman from outside (Prof Rivka Bar-Yosef, for example, an expert in social affairs who was formerly in RAPI) to serve in his cabinet. Hayka Grossman is an almost certain candidate from Mapam to serve as minister of labor and social betterment or as minister of health in the next Alignment cabinet.

The eventual image of the Peres cabinet will be primarily determined by the size of the Alignment's victory in the coming elections, however it appears that one more certainty in this connection can be noted: Yitzhak Rabin will not serve in it.

#### The Second Victor

At the end of the competition convention of the Labor Party, in the Toscanini victors room in the Hall of Culture, Shimon Peres approached Aharon Harel, shook his hand, and in front of everyone present said, "40 percent of the victory is yours." Whether Peres meant it or not, the second victor in the competition after Peres was Aharon (Aharle) Harel.

Today with the opening of the election campaign for the 10th Knesset, this short man, with Mongolian features, a kind of young Edward G. Robinson, holds considerable power in his hands. As the director of the party's election campaign (a new position designed to circumvent the chairman of the election headquarters, which was promised a long time ago to Mikhael Bar-Zohar), he will in the coming months be the strongest man in the party after its chairman. He is a product of positions in the election campaign which traditionally are bargaining cards for springboards toward positions in the party, the Knesset, and the executive authority after the elections. He will direct hundreds of people within and outside the party and will control enormous funds.

He is considered the party's election expert. He proved his expertise in two victories for which he has been credited: the Alignment's sweeping victory in the 1978 municipal elections which no one in the party wanted to touch and Peres' victory in the internal competition, in which he headed Peres' staff.

Harel's story is one of ability and loyalty, or conversely, loyalty and ability. Since their joint membership in RAPI, Harel has moved along with Peres, and today he is the party man closest to him and enjoys his complete confidence. Someone described the Peres-Harel relationship as that of a long-time married couple. Each knows well the weaknesses and strengths of the other, they complement each other, and therefore, they can live together in tranquility and trust. He often serves as Peres' emissary within the party and in inter-party contacts. He was Peres' liaison man in his recent contacts with Dr Burg. In a press interview, Harel described himself as Peres' "unskilled laborer." However, this trust, which was born out of a very realistic view of Peres and the power game within the party, does not say it all.

Harel has incomparable political and party skills. He knows the campaign as few others do. He grew up within it, in the grey path. He is an outstanding organization man, an expert in labor relations (he is now completing his doctorate in this field). As a member of the Coordinating Committee of the Histadrut and as head of its Organization Branch and Workers Councils, he has created an extensive network of connections throughout the country, and he is recognized in the party as a man with whom it is possible to "close" a matter. Someone said of him that with him it is possible and even delightful to steal horses. During the periods of greatest tension between the two competing camps, it was he who conducted the contacts on behalf of the Peres camp with the representatives of the Rabin camp, and primarily with the people of Hakhshara Name'uhad.

There is criticism of him in the party. They say he is superficial, that he is prone to be moody, that he is a moving sand dune, and that his reports are not always reliable. However, he has not made many bitter enemies. His appointment as director of the election campaign was perceived as if it had been expected, without much opposition, perhaps because he sits at the unique junction between Peres, the Histadrut, the Yahav circle and ALEF (Hebrew acronym for "Citizens for Peres") and perhaps because everyone knows that the party must have people like him.

For a certain period of time, Harel competed against Yisrael Kaynar for the Number Two position in the Histadrut. However, Yeruham Meshel did not want him, and he preferred the more easygoing Kavaar. It was precisely his defeat in the Histadrut that opened the door for him to his current success.

He is 49 years old. At the age of 4 he immigrated with his parents from Pinsk, and he spent his childhood in the Borokhov development. His father was a construction worker. He was a member of a kibbutz (Netiv HaLamed He). He worked as a teacher, he was employed in the Information Administration, he was the head of a regional council, and later he homed in on the path of trade unionism and politics.

When the decision is made to dissolve the knesset, he will begin work at the election headquarters which he heads. Harel's staff will be located on the 12th floor of El Al House in offices which were occupied by Yitzhak Rabin's staff in anticipation of the internal elections in the party. The offices of ALEF will also be transferred there from the room in the Dan Hotel which he gave to the Yekutiel Federman Association.

The election campaign will be conducted by 15-member operations staff: the heads of the six major districts in the party, the heads of the branches on the staff, and other functionaries. Alongside the operations staff there will be a steering team headed by Teddy Kollek and which will include Abba Eban, Simha Dinitz, Gad Ya'akov, and apparently also Motza Gur. About 25 functional staffs (women, academics, development towns, and so forth) will also be established. "The intention is," says Harel, "to divide the effort and authority as much as possible. The headquarters will coordinate them." The headquarters spokesman will apparently be Yisrael Peleg, the coordinator and spokesman of the faction in the Knesset.

He says, like all members of the party with whom I have spoken, that he has not been promised any position, and this is apparently correct, however in the party's

stock exchange, they are now betting large sums on him. He already has a seat in the next Knesset in his pocket. It is also said that if he wants it, he will be a deputy minister in the Office of the Prime Minister. When I ask him if he wants it, he responds, "why deny it?"

In the event that a compromise cannot be found between 'Uzi Bar'am and Eliyahu Speiser, heads of the largest districts and two confidants of Peres, who are competing, still without a vote, for the position of secretary general of the party after the elections, Harel is likely to be Peres' compromise candidate for this position.

### The Information Battle

On the program "A Look at the News" on Thursday of last week, the secretary general of the Labor Party, Hayim Bar-Lev made an appearance and expressed his opinion about the cuts in the defense budget. This short appearance of the minister of defense-designate in the next Alignment cabinet had a long and hidden tail.

The previous day, at noon on Wednesday, a rumor began to spread throughout the country that Hayim Bar-Lev had been arrested on the charge of giving documents to a foreign agent. This ugly story was transmitted with astounding efficiency and orchestration to the newspaper syndicates, the homes of reporters, and even to the Knesset, and for several hours, the politicians and members of the media in the country were excited.

Bar-Lev's appearance on the screen on the issue of the defense budget had two objectives. It was both a refutation of the lie which Bar-Lev's enemies, whoever they are, tried to spread, and it also presented the view of a professional who is likely to be directly involved in the defense budget.

Behind this brilliant exercise stood Yossi Sarid, who on the same day also brought to the attention of the public the brutal comments of the chief of the general staff in the deliberations on the budget about the government and its head.

Since the 1965 elections, Sarid has been active in the field of information in the elections, and in the last three election campaigns of the Labor Party, he has headed the Information Branch. He is universally regarded as the most professional person in the party in the area of the communications media and information, and he has no peers in the other parties. However, it is precisely in anticipation of the current election campaign that attempts have been made to remove him from his natural position.

The position was initially promised to Hayim Herzog, the national spokesman in times of war. Hayim Herzog is also recognized as a professional. In a survey which ALEF conducted last September on issues and people in the Labor Party, the content of which was kept secret, it was found that the most popular man in the Labor Party is Hayim Herzog. "The Voice," which goes out over the airwaves during periods of war was shown to be the one who arouses less opposition than any other prominent personality in the party. The survey was conducted in accordance with the system of the two experts on election strategy which ALEF imported from America, David Sawyer and Paul Nice. In this system, the percentage of opposition is subtracted from the percentage of support for a person and the extent of support is

determined by the "net", that is to say those who are in the middle of the road are the most popular. Herzog has proven to be a definite middle of the roader or as someone expressed it, "the quality of the average." He did not collect great support, however since virtually no opposition was subtracted from this support, his "net" was high, the highest in the party. For a period of time Herzog was going around as if he had in his pocket the Ministry of Information in the cabinet which Peres will set up. In the meantime, several black cats intervened in the picture. Many had second thoughts about Herzog's capabilities and discretion as a spokesman. His appearances in the communications media in Israel after his trip to Egypt apparently tipped the scale. In a radio interview Herzog actually presented a service broadcast for the Likud. He said that Al-Sadat is not at all interested in advancing the elections in Israel and in a change of government, while the Labor Party had been receiving completely different signals from Egypt, and he expounded at length in the report on the praises which Al-Sadat heaped on Begin. Now there is no longer any talk about a Ministry of Information to which even before this there was serious and fundamental opposition to its establishment. Herzog remains with the information position in the elections, a position which Peres had actually hoped to make an empty one with the turning over of the lion's share of the information responsibility in the election campaign to ALEF, headed by Elqana Gali who had been the spokesman and director of sales for the Aircraft Industry.

Since his victory in the internal competition in the party, Peres has been living with the feeling that it is the actions of ALEF and its advertisements in the press which have brought a change in the public's attitude toward him and which also influenced his victory within the party. By means of ALEF, which is comprised completely of those loyal to him, Peres has sought to create for himself a comfortable, effective, and available instrument and to free himself from the bear hug of the party and the weights of the various pressure groups which are tied to his feet. In light of this attempt, the party's watchmen, primarily the heads of the large districts, have become aroused and have demanded the return of the information position as well as the direction of the entire election campaign to the party. For the purpose of the party's battle against ALEF, even Yossi Sarid has been declared fit even by those who have opposed him the entire year and have fought against his views such as Eliyahu Speiser, the secretary of the Tel Aviv District and the strong man of the Yahav circle.

Sarid causes considerable indigestion in the party. His extreme political positions arouse extreme counterpositions. He is either supported or opposed all the way. In that famous survey of Alef, which has not yet been made public, it was evident that the opposition to Sarid detracts from his support, that is to say he has the same percentage (high) of opponents and supporters. According to the system of those experts, which other pollsters vigorously attack, such a condition of stalemate means no points, that is to say no popularity. It seems to me that Sarid has even emerged from this survey with an overdraft.

As a solution, Peres has tried to present Yossi Sarid as the party's spokesman in the Arab sector. There were apparently good reasons for this. Sarid is very well liked by the Arab members of the party who consider him progressive, enlightened, and a true humanist who does not just pay lip service on the Arab issue. Sarid has never commented seriously on the proposal, in the background of which was a slight cooling off in Peres' attitude toward Sarid who, according to Peres, did not identify with him during the period of the competition with the appropriate unequivocalness.

Nevertheless, it is true for now the Information Branch of the election headquarters will be directed by two persons, Hayim Herzog and Yossi Sarid, and they will be joined by the ALEF information man, who will not be Elqana Gali. In the information battle between the party and ALEF, the party has won.

#### Old Soldiers

When he is not involved in his international business transactions directed from New York, the precise nature of which is unknown, Al Schwimmer stands on guard in the office of the chairman of the Labor Party in the party center on Hayarkon Street. Al Schwimmer is proof that not only do old soldiers never die but they also do not fade away. He also proves that there is no comradeship which is as strong and as constant as that of these soldiers.

After being out of the public eye in Israel for several years, after having served as director general of the Aircraft Industry, Al Schwimmer returned to the arena when the possibility arose of a contest between Peres and Rabin for the leadership of the party, and he said, "I am here!" He came at a difficult time for Peres. He was one of the founders of ALEF last May when Peres' popularity in the public opinion polls had declined to an unprecedented low point. He was one of the activists of the group and one of its mobilizers of support and fundraisers in Israel, and primarily abroad, and he even contributed his own money. However, after Peres won the contest, he did not return to his own affairs but remained and has become one of the more noticeable presences in the office of the chairman, Peres' uncrowned adviser in both foreign and domestic affairs.

He constantly listens to him, whether he is expressing his opinion on the proposing of a motion of no confidence in the government at a certain time or he is advising him on the party's external contacts and the contacts of Peres himself with heads of state. He was the one who was behind Peres' trip to the United States which was scheduled for early January and was eventually cancelled because of the government crisis. He was also to have accompanied Peres at all his meetings in America. In contrast to the opinion of Peres' friends and confidants in the party, including people who are considered experts on the United States, who recommended that he not make the trip during a period of the change of presidents and administrations, and even against his personal inclination, so it is said, Peres was forced to go to America by his friend in order to meet with groups of supporters and contributors which Schwimmer had himself organized there. It was only the political developments in Israel which eventually prevented the unnecessary trip which was likely to have ended in discomfort and perhaps even in dishonor.

He gives his advice to Peres in English. In spite of his 30 years in Israel, he still does not speak Hebrew, and he contributes more than a little bit to the atmosphere and aroma of an international airport which now prevail in Peres' office.

Al Schwimmer has inalienable rights. During the War of Liberation, he came to Israel as a volunteer from abroad. He helped in the procurement of arms and aircraft, and in time with the inspiration and urging of Peres, he was one of the founders and builders of the Israel Aircraft Industry. Shimon Peres cannot praise his longtime friend enough. He refers to him as a brilliant engineer, a wise man, a warm Jew who has never sought anything for himself and has always only given and

contributed to the Land, to Israel, and to his friends. He talks about the valuable connections which Al Schwimmer has made in recent years in various regions of the world and which are likely to open important and very interesting horizons for Israel.

Peres, a man of long-term loyalties, also does not forget that Schwimmer was one of the founders of the original RAPI and one of its most enthusiastic conscripts. Even though he is not one of the traditional objects of Peres' admiration, Al Schwimmer holds a certain fascination over him.

Despite all his qualities, both manifest and concealed, Schwimmer has never been regarded as a political person, one who is attuned to public considerations and one who is rooted in the life of the country and the Israeli society. He reveals himself only rarely, shuns the press, and cloaks himself in a cover of secrecy and security. Nevertheless, those who look to Peres in the Labor Party are far from being happy about Schwimmer's excessive closeness to him. They find it difficult to understand why he who has won unprecedented party support and a "carte blanche," and an indisputable mandate for shaping the character and image of his future administration persists in returning to his past and to the people who personify this past. "I am not certain," one of the senior people in the party told me, "that this is the new image which the Labor Party wants to present to the public; that these people who belong to the past must present the new program of the Labor Party; and this while we have available today the best people in Israel, from all the fields, the universities, the economy, the kibbutzim, the arts, and all of them are knocking at the door, wanting to be mobilized to work voluntarily for the party."

For a long time a week ago, Peres rebuffed all my questions which concerned Al Schwimmer and others who had past connection with the Aircraft Industry and who have been surrounding him in recent months.

Does Peres know the nature of Al Schwimmer's international business transactions?

"It seems to me that he is involved in construction deals," answered Peres.

There are those in the Labor Party who claim that he is involved with various aviation industries. There is also talk of his involvement in international arms trade. Al Schwimmer is not in Israel this week.

Aren't Schwimmer's business affairs likely to influence the nature of his evaluations and advice to Peres?

"There is no such fear, this man has never been concerned about himself."

Isn't it natural for people with large economic and industrial interests to invest in someone who is going to be a prime minister?

"These people are not looking for jobs and favors for themselves. They have presented themselves with complete faith because they believe in me and believe in the party," responds Peres.

Do you know the source of the contributions and money which they are collecting?

"Yes."

Why isn't the source of the contributions publicized. Is there something to hide?

"The contributors generally want to remain anonymous. We are not doing something illegal. Everything is recorded and subject to inspection. The only report required is to the state comptroller," answers Peres.

Isn't he concerned about the public image which such a group is likely to pin on him as head of the party and the future prime minister?

"I am not worried about such images or others," responds Peres. "I have nothing to be ashamed about. I long ago became accustomed to comments of this kind, and I no longer get excited about them. I have nothing to hide, and those about whom you are speaking also have nothing to hide. They have done great things for the people of Israel."

I have found out, incidentally, and not from Peres himself, that Peres has a position for Al Schwimmer in his administration, in the field of the development of high technology industries. It must be assumed that the others also will not be deprived.

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**ARIDOR INTERVIEWED ON ECONOMIC ISSUES**

Tel Aviv YEDI'OT AHARONOT 6 Mar 81 Weekend Supplement p 5

[Interview with Minister Yoram Aridor by Dov Ataman: "I Am the First Finance Minister in History to be Condemned for Lowering Prices"]

[Text] In Likud they are rubbing their hands with satisfaction over the economic policies of Finance Minister Yoram Aridor, perhaps they secretly hope that he will bring about the hoped for reverse in public opinion. His political opponents do not spare him criticism, which is filled with concern both about the long term fate of the economy as well as with the effect on election day of developments in taxation and benefits which Aridor is presently dropping on the Israeli citizen.

Everyone admits, even begrudgingly, that Aridor has surprised them. Within the coalition there are those who believe that it was a mistake not to "put him into the game" earlier and to have left him on the "substitute bench" almost until the end of the game. It is possible that he could have succeeded in changing the negative image of the Likud government if he had been allowed to apply his ideas at an earlier stage than four months before the elections.

In opposition circles he is accused of practicing "election economics," that his measures are simply "election bribery," a "general sale of everything." His policy is characterized as that of "a bankrupt who has nothing to lose."

Objective observers cynically recall that all finance ministers have acted in this manner, more or less, on the eve of elections, and that therefore there is no place for expressions of surprise or ironic comments.

As a polished operator of experience Minister Aridor answers his critics in the same language. He stubbornly maintains that he is motivated by socio-economic considerations--while those who criticize him are only following partisan lines. But all of his answers and explanations of his policies are laced with clear political claims--essentially legitimate in themselves--even though he goes to great lengths to mask them. Again and again he recalls: "Alignment people themselves affirmed many of the measures which I have taken in recent weeks. Did they think then that they were proposing bribery to the voters? I, apparently, am the first finance minister in history who is condemned because he fights inflation by lowering prices..."

Question: Are you not first and foremost motivated by the slogan "to do well by the people?"

Answer: My decisions serve the economy. It might be claimed otherwise. But that is to fail to conceive of reality. If the citizens enjoy the results, there is nothing wrong with that. There is no doctrine that the finance minister must only cause suffering...

Question: Even your predecessor, Yigal Horowitz, warns that now the atmosphere is good and everyone is satisfied, but that in the future, the near future, everything will become a whirlpool...

Answer: I do not intend to conduct a critique of what the prior finance minister did or failed to do, although I have a lot to say on the issue. I intend to do what is called for by a correct and careful economic policy, so as to reduce inflation from the levels to which it reached.

Question: Honestly, aren't all those who claim that you are conducting an election economy simply bitter, and know nothing about economics?

Answer: That Alignment people are saying this should be taken into account. That is a partisan claim. I maintain that the steps which I have taken are economically logical. I do not understand why it is wrong to take logical economic measures before an election.

Question: Your steps have induced a buying spree. They have aroused nervousness and created among the public the atmosphere of a temporary "sale." Whoever has some ready cash rushes to buy what is at hand, because the holiday will end after the elections. In your opinion, does that serve the economy?

Answer: There are those who are running to buy, and there are those who are delaying purchases, because of the expectation of further reductions. I did not cause the buying spree. The buying panic is characteristic of all large inflations. It is true that I did create some uncertainty about the upward trend of prices. The uncertainty is not to be regretted. Consider what is linked to the general selling: I do not understand why the soaking up of 700 million shekels is worthy of condemnation. If I had poured 700 million into the economy, political opponents would have condemned me. We must treat these condemnations as election propaganda. I pass them and move to the schedule of a correct economy.

Question: Aren't you afraid that the increase in local excess demand will lead to an acceleration of inflation instead of a reduction, and that we will fall into an "uncontrolled whirlpool," to use the words of Yigal Horowitz?

Answer: It is always good to be careful. Excess demand always exists in the economy. I did not create it. I am fighting it with the help of savings programs and the reduction of prices.

Question: Are you saying that you have discovered, just now, a miracle formula for stopping inflation?

Answer: I have not discovered a miracle formula. I am simply doing what needs to be done now. It is true that in the past year the government has concentrated on the issue of the trade balance. Since that treatment succeeded, we are now concentrating on an attempt to stop the inflation. Therefore, the means differ.

Question: In your opinion, by how much will the index rise by the time of elections?

Answer: I have no intention of prophesying. Predictions regarding the index a day before it is published on the 15th of the month seem ridiculous to me. I am satisfied to say that all efforts are being made to stop inflation, without unemployment and without leading to the regimentation of a total economy, which challenges the stability of a democratic regime. I have seen no alternative proposals from my opponents, in spite of the fact that I have asked them to show me.

Question: Do you intend to continue the price reductions and the subsidization of basic staples in a manner which appears to you to be "balanced and correct?"

Answer: Yes. There will be reductions in prices, and at the same time moderate increases, such as those which I decided upon this week--increases in fuel and reductions in milk.

Question: What is your forecast regarding devaluation of the shekel?

Answer: There is no possibility of my being involved in the foreign exchange rate. That is completely in the hands of the Bank of Israel.

Question: What is expected in wage policy?

Answer: I affirm the full cost of living allowance within the framework of existing wage agreements. This will lead to a reduction of tension in labor relations. It will also ease public anxiety about inflation's eating away of wages, and will permit employers to make orderly budgets without wage jumps. It will also strengthen the position of the government in its struggle against unjustified cost of living allowances--inflation cannot be the solution to such problems.

Question: And now we are witness, following the negotiations and agreement with the teachers, to a new wave of labor disputes. Experience has shown that in an election year the government has difficulty in facing them...

Answer: A correction of the erosion is coming to the teachers as a matter of law and according to the agreement with them. I have requested that the legal counsel review the agreement to see if there is in it any deviation from the wage policy. There is no danger of deterioration. Even in an election year, we will not concede in this area.

Question: In the last 4 years, you were very close to the government--you served as deputy minister and acting minister in five ministries. Why didn't you initiate activities such as these at an earlier time?

Answer: I am taking steps which I have supported in the past. The full cost of living supplement, for example, or the savings program, are not my innovations from two weeks ago. I have stood for them for 6 years. I have spoken for them at every opportunity. I have been conducting the economy in a correct manner, and it is good for both the country and for Likud. I have no need to apologize.

Question: Since you are hurrying to do what you are doing on the eve of the election, one necessarily gets the impression that you have taken upon yourself the task of stopping at any price the drift of public opinion against Likud, to prevent a sharp defeat at the polls, to save what you can in the time left...

Answer: Nobody has a victory at the polls in their pocket. In my opinion, we are worthy of public confidence and are entitled to ask for a mandate to continue what we are doing. I hope that the public will appreciate the achievements of Likud in the political sphere as well as in the socio-economic sphere.

Question: How can you, as a finance minister struggling against an incredibly complex series of problems, claim innocently about the achievements of Likud in the socio-economic sphere?

Answer: We have made unusual achievements, especially in increasing exports. Civilian export covers about 79 percent of civilian import, and that is an unprecedented figure in the history of the country. In the current year we reduced public consumption in the civilian sector. There are achievements in the social sphere--updating of budgets, rebuilding of neighborhoods, social legislation such as the income insurance law, free secondary education, the state health insurance law being considered now. There is a problem related to inflation--and we are working on stopping it.

Question: Isn't your treatment artificial, in terms of a temporary stoppage until elections, so that after it we will face a terrible inflationary spiral?

Answer: Certainly not. If the Levinson plan is accepted, if the Alignment comes to power, that would be an economic time bomb, because he proposes the artificial stopping of prices--and the word artificial is his own--the imposition of controls, i.e., regimentation of the economy. That would be a most undesirable regime for Israel. I am taking moderate steps, considered, integrated within a general war on inflation. There is no reason why the program will not lead to positive results. I do not see why anyone expects an explosion after the elections. I am ready to continue my policy after the election, and to be responsible for it.

Question: If you are so certain of your way, why haven't you struggled for it before? As a politician, desiring to preserve his position in government, don't you think that Likud has lost valuable time?

Answer: My proposals have not been accepted, because the government placed emphasis on restraining demand. Today I am concentrating on inflation.

Question: Your predecessor, Yigal Horowitz, asked of us: protect the pound. You are following an opposite path, perhaps because you have an easy life--the elections are still four months away...

Answer: I have an easy life in a difficult post--I do not know what will happen in the elections. I am doing what I and other economists think and feel must be done. The public is accepting my measures with more and more understanding.

Question: But your steps are being accepted with hesitation and fear, in spite of the fact that now you are definitely "doing well by the people." Perhaps the people are not such fools and know that there is something to fear?

Answer: You should address this question to those who have reservations and fears. I do not expect general agreement with what I am doing. I am trying to explain my steps, even in this talk with you, and I hope that I can persuade the doubters. I am also ready to change my mind, on one or another detail. But I see no room for another policy. Nobody with reservations has proposed another policy. On the contrary, let them come and prove to me that my policy is not economically sound. There is a great degree of ignorance in some of the criticisms of me.

Question: The commissioner of the Bank of Israel, for example, said that the target which you set for yourself in the budget in the sphere of stopping inflation was not sufficient. Is that a superficial criticism?

Answer: The problem is not one of putting targets on paper, but rather targets which can be achieved. By my estimate, it is possible to reach double digit inflation this year. I have spoken of 98 percent. I have expectations of achieving more--the budget covers this target at least.

Question: In the budget there is almost no room for deviations. And now you are talking about tax reductions which will cut income. Where can the budget cover this?

Answer: There is growth of income. Continuation of the employers tax on the services sector will bring the treasury 27 billion additional pounds. I view tax reduction as a balanced matter in terms of reductions and additions. It was reported to me that there is even a surplus in income. You have to take into account that the course which I am following will lead to a growth of income.

Question: And what about the balance of payments?

Answer: At this stage, the effect is marginal. According to data which I have, in the month of February the wave of buying by the public caused a deficit in the balance of payments of only 16 million dollars. It is possible that this figure is imprecise and should be raised to 18 million.

Question: But the buying spree goes on and is growing stronger. How long will you be able to carry out the "price reduction campaigns"--until the elections?

Answer: No. I have the possibility of continuing these operations, and others.

Question: Which?

Answer: I prefer not to go into details. I am trying to avoid giving pre-publicity to my steps.

Question: Which is to say you have other surprises in your bag?

Answer: I am not looking for surprise, but for the correct steps. Some of the measures which I have adopted are not my exclusive innovations. They are also supported by people outside of the finance ministry.

Question: Have you also decided to deal in a similar manner with rising building costs?

Answer: I have not yet dealt with that problem. There are other issues which I have not yet reached. Until two weeks ago I had not dealt with taxes...

Question: This week, after you presented the wage tax reform, it was said: "Too little, too late."

Answer: When people have nothing to say, but feel a partisan need to criticize, they say too little too late. With respect to the reform, I do not understand what is too little or too late. One other thing: the whole reform of tax brackets stems from the fact that during the Alignment period, at the time when they adopted the recommendations of the Ben-Shahar Committee, there was developed through legislation a tax bracket system. Some was amended in the last 2 years. I am doing basic amendment now.

Question: You are certainly attentive to the fact that you always point to the Alignment as responsible for events in the economy, in spite of the fact that you are a member of the government which has been in power for 4 years. Why do you think it reasonable to put any faith in your policies, in you, and in your colleagues for the future?

Answer: After the elections, it will certainly be worse if the Alignment wins. I have no doubt that if we win--the improvement will continue. What is the alternative--Levinson as finance minister?

7075

CSO: 4805/179

BRIEFS

MILITARY EXPORTS TOTAL \$300 MILLION--Military industry exports in 1981 will be more than 300 million dollars. This was reported by the director general of the enterprise, Mikhael Shore. Seventy percent of the production of the enterprise is earmarked for export. He reported that since he assumed his post in 1972, the number of workers in Military Industry has increased from 9000 to 15000. He spoke of difficulties of penetrating world markets with products. Sometimes, Israeli exports are opposed because of the need to protect local production, and sometimes because of political considerations. [Text] [Tel Aviv HA'ARETZ in Hebrew 3 Mar 81 p 2] 7075

ARAB AGRICULTURE SHOWS GAINS--Until the beginning of the 1960's, Arab agriculture lagged behind the advances of Jewish farms in Israel, but since then there has been dizzying progress in the life of the Arab village in economic, cultural, and traditional terms, with an adaptation to the agricultural conditions of Jewish farms. The preceding was stated by Prof Yitshaq Arnon, who has conducted research into the changes which have occurred in the Arab village, at a press conference held yesterday at Sokolov House in Tel Aviv. Prof Arnon, who assembled the research together with Dr Mikhael Raviv, on behalf of the Center for the Study of Village and Urban Settlement, related that the research was conducted over a period of 2 years. He said: "I worked for 18 years in the experimental station at Acre, and Arabs from surrounding farms worked with me. They closely followed the development of Jewish agriculture and the progress of the experimental station. In the evening they would return to their villages, but from all that they learned from us, their village agriculture did not improve." He also said that until the 1960's, Arab agriculture was the same as in Biblical times. Farmers plowed with primitive plows drawn by cows, donkeys, or mixed pairs. The sudden change began in the 1960's. Arab agriculture made tremendous advances. Traditional crops such as hard wheat disappeared, and were replaced by European wheat. Work methods changed, and instead of cattle tractors were used, along with mechanized harvesters, fertilizers, and herbicides. Farmers began to introduce sophisticated agricultural methods, similar to those of the Jews, and the harvests began to equal those of the Jews. Little by little changes occurred in the Arab villages. The standard of living rose, and changes difficult to describe occurred. "In the past, when I would visit an Arab village, the hosts would call the women indoors so that they would not be seen in public. But years later, they introduce the woman and she participates in the conversation." After the Six-Day War there was a dizzying change in Judea and Samaria as well. Arab agriculture there caught up with Israeli Arab agriculture. "After so many years of primitive agriculture and standing in one place, there was a dramatic change," he said. [Text] [Tel Aviv HA'ARETZ in Hebrew 3 Mar 81 p 5] 7075

## KUWAIT

### BRIEFS

KFAED ZIMBABWE LOAN--The Kuwait Fund for Arab Economic Development announced a \$54 million interest-free loan by Zimbabwe this week. The loan will go towards projects including rural development and repairs to roads and railways. The loan, made public at a press conference in Salisbury by the director of the fund, Mr Faisal Al Khaled, was the first to be announced at a major conference which opened on Monday. Zimbabwe government officials indicated that the loan had already been negotiated before the conference started. Several countries and 25 international organisations are taking part in the conference at which Prime Minister Robert Mugabe was expected to announce his country's plans for development, training and co-operation. [Text] [Bahrain GULF MIRROR in English 28 Mar-3 Apr 81 p 5]

MARBLE FINISHING PLANT--Kuwait will soon have its first marble factory, if plans by the Al Ayyadhi Construction Materials company go through. The company's managing director, Mr Thomas John, was in Greece this week at the Thessaloniki Exhibition Centre's marble and minerals show--Marmin-- looking for materials and for the technology to start up the proposed \$8.4 million plant in Shuwaikh. The company was still waiting for a government licence, said Mr John, and for the grant of land from the government. Once set up, the plant would employ 55 workers, processing the stone right through from cutting blocks, to grinding polishing and finishing. The company plans to turn out, to order, everything from chess pieces to fireplaces. The main market, it hopes, will be mosques and museums. Mr John said his company was also exploring the possibility of buying marble quarries in Greece to cut out all profits for middlemen. It is understood that Mr John plans to offer one of Greece's top marble masons, Markos Bolaris, a contract to teach workers in the factory how to carve the stone. [Text] [Bahrain GULF MIRROR in English 28 Mar-3 Apr 81 p 19]

CSO: 4820/309

**LIBYA**

**BRIEFS**

**AL-WASITAH AGRICULTURAL PROJECT--El Beidha, 15 Jounada Al Awal, 22 March (JAMAHIRIYA NEWS AGENCY):** Sources from the People's Committee for Agrarian Reform and Land Development in El Jabel El Akhdar have stated that the Al-Wasitah agricultural project will cover an area of 4100 hectares divided into 75 farms all 75 of which have been allocated. The same sources added that this project's aim is to set up a stable agricultural company with the intention of increasing cereal and fruit production and protecting natural resources, and of expanding forests, building dams, and developing means of protecting the soil. RA. [Text] [Paris BULLETIN QUOTIDIEN DE L'AGENCE JAMAHIRIYA-PRESSE in French 23 Mar 81 p 2] 9631

CSO: 4800/42

ROLE OF BITUMINOUS DEPOSITS IN ENERGY PROGRAM NOTED

Casablanca MAROC SOIR in French 3 Apr 81 p 6

[Article by M. M. A.]

[Text] Sponsored by the Engineers Association of Morocco, Mohamed Sdiqui, honored graduate of the St-Etienne National Engineering School and director of energy in the Ministry of Energy and Mining, delivered a lecture at the French Cultural Center yesterday evening on the topic "The Place of Bituminous Deposits in Morocco's Energy Program."

Sdiqui outlined energy consumption in our country since 1965, what it currently represents and the government's policy for responding to our ever increasing needs.

He recalled that our country, which in 1965 used the equivalent of 1.73 billion tons of oil, nearly tripled that figure by 1980 (the equivalent of 5 billion tons). Electric power represents one-fourth of our total energy consumption as a result of the country's increased needs, but despite the construction of dams, the portion of electric power supplied hydroelectrically went from 82.75 percent in 1973 to nearly one-third by 1980. This decline is to the advantage of oil (imported).

Our rate of energy autonomy was on the order of 28.7 percent in 1965, but this figure dropped to 16 percent in 1980.

In monetary terms, the national oil bill increased 20 times over in 7 years: from 220 million DH [dirhams] in 1973 to 4.5 billion DH in 1980.

Oil therefore represents half of all our exports and shows an "unfavorable trend." Consequently, in the long run and if the situation continues to evolve as it is now, in order to meet our needs, the oil bill be larger and larger and our rate of energy autonomy "will tend to drop to zero."

After allowing for the available supply in the world context and the political and conflictive contingencies, and if one uses only an average rate of economic growth, the increase in energy needs will be on the order of 8 percent per year.

This means that our energy consumption, which was on the order of the equivalent of 5 million tons of oil in 1980, will be about 7.5 million in 1985 and reach 23 million by the year 2000.

It is therefore necessary to have a medium- and long-range program to respond to these needs.

The speaker said that the program chosen by the government is "multidirectional" and has seven points.

Morocco, which has 3,500 kilometers of coastline, must develop offshore oil drilling.

On the domestic level, 300,000 square kilometers of the territory (750,000 square kilometers) are sedimentary basins authorizing and requiring drilling.

Therefore, the first point in this energy program consists of developing oil research on a double level and the future 5-year plan will see the budget allocated for the purpose increased five times by the end of 1985, in addition to "international partnerships."

The second aspect of the program will involve the development of hydroelectric potential.

The director of energy recalled that at the present time, our equipment is on the order of 1.5 billion kilowatt-hours and that another 3 billion kilowatt-hours will be in service by the year 2000.

The third point is the uranium contained in our phosphates, whose "physical and chemical characteristics are very favorable."

The fourth point concerns the energy substances coal and lignite. Research in this field represents 80 percent of the budget of the Mineral Prospecting and Investment Office (BRPM).

The fifth point includes renewable sources of energy: solar, biomass (wood used in rural areas, and so on).

This rationalization will mainly affect the major energy-consuming sector: industry.

It will mainly deal with substitutions, using coal instead of fuel, for example.

Once these six points have been developed, they cannot fail to have a positive effect on the rate of national energy autonomy and the oil bill, especially with respect to the many uses of uranium-based energy.

Sdioui then spoke of another point of extreme importance: the bituminous schists.

He recalled that our country has 15 percent of all known world reserves.

This percentage would increase if explorations were to continue.

However, the known deposits are in themselves largely adequate for a long period of time and do not indicate a need for new exploration, but rather, a concentrated effort on optimum exploitation of that already found.

In a brief historical outline, Sdioui said that the former Geology Division was already interested in the bituminous schists as early as 1960.

However, the "economic program" to work this new sources of energy was not launched until after the oil crisis (1973) and more precisely, in 1974, by the BRPM.

After 18 months of work in the Timahdit region (not far from Azrou), a deposit was discovered with 20 billion tons having an average oil content of 7.3 percent equivalent to 1.5 billion tons of this oil.

In addition, he said, one should cite research done at Tarfaya which resulted in the discovery of a deposit with a potential of 200 billion tons with a lower content than that at Timahdit: 5.3 percent oil.

The only estimates retained for Tarfaya (73 billion tons) are equivalent to 4.5 billion tons.

The sulfur content was long an obstacle, but with the enormous sulfur needs for production of sulfuric acid (based on phosphate), the cost of isolating the sulfur from the schists will be largely made up for by its use in upgrading phosphates.

At the present time, some 2,500 different ways of working bituminous schists exist throughout the world.

A national procedure was worked out and called "T 3," referring to the Tarfaya, Timahdit and Tangiers deposits.

This relatively inexpensive process depends on treatment by fire.

Tests on small volumes (3 and 50 tons) have already been done.

The technique will be perfected by the use of a pair of ovens (80 and 100 tons) in order to save on energy. Schist processing is done at a temperature of between 400 and 500°.

In addition, it is planned that in 1983, the first tandems of Standard ovens will be used with a processing capacity of 5,000 tons for each oven.

Concerning oil production, the estimates for 1985 are on the order of 100,000 tons; for 1990, 2 million tons and by the year 2000, 12.5 million tons.

Sdioui said that this T 3 procedure is a national method that will be "used as a substitute for other very costly industrial procedures."

It will also make it possible to train personnel and will be the proper technique for small deposits discovered in the future.

The cost of the investment required is 50 billion dirhams, to be added to [text garbled]. For this financing, the director of energy spoke of credits allocated by the World Bank for studies and talks for the financing of projects.

In addition, there are "three serious potential partners: one European, one American and the third Arab."

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PERSIAN GULF AREA

BRIEFS

ARABISTAN YOUTH DISCUSS FRONT--The Arabistan youth in Kuwait have greeted the Arabistan organizations' announcement on the unification of the Arab resistance factions in Arabistan within the Arab front for the liberation of Ahvaz. A statement issued by the front and published by the Kuwaiti newspaper AL-'ANBA' called on the strugglers who believe in the justice of legitimate struggle for independence and liberation to unify their ranks in the face of the ominous racist Persian occupation and to achieve their own independent (Edifice) which expresses the pan-Arab affiliation of a nation honored by God. The statement added that the combat factions' organizational and military unity under the leadership of the Arab front for the liberation of Ahvaz is a starting point for mobilizing our people's potentials and transferring the Arab masses' struggle in the towns and villages of Ahvaz Province to the stage of decisive confrontation with the Persian enemy in order to achieve victory and complete independence of our territory and people. The statement pointed out the bitter struggle waged by the Arab masses in Ahvaz against the Iranian regime's policies and continuous aggressive practices against the non-Persian communities in general and the Arab people in the province in particular. [Excerpt] [JN222159 Baghdad Domestic Service in Arabic 1900 GMT 22 Apr 81]

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UNITED ARAB EMIRATES

U.S. SAID TO BE SHOWING FORCE UNNECESSARILY

Al-Shariqah AL-KHALIJ in Arabic 15 Apr 81 p 1

[Editorial: "America Flexes Its Muscle!"]

[Text] America returns to flex its muscles...with the delusion that there is only room in the world for its power...thinking that it can frighten the people and forgetting that more than one defeat has been handed to its military power...the most recent of which occurred with the great defeat in the Lut Desert in Iran.

President Reagan believes that he can impress upon the world that "Reagan's America" is strong and that he is still able to realize "the promise" he made during his campaign to restore to America the confidence of its "friends," or to restore to America's "small" friends America's confidence in them.

This is the Reagan that orders the strengthening of the Sixth Fleet in the Mediterranean, which already has approximately 32 naval units. He is speedily sending to the Mediterranean four additional units which form a (huge) striking force. This new American move which bears the Reagan stamp surely has more than one dimension and goal.

The flexing of muscle is one of these goals, and it is not a theatrical move or a goal in itself, rather it is politico-military move aimed basically at the Arab nation where a national struggle is breaking out to free the occupied lands and where unprecedented hopes are rising for national development. Washington finds no objection to confronting this by returning to the use of old methods of colonialism based on threats with battleships and canons.

By this show of strength Reagan wants to announce "support for our friends" who include the Egyptian regime, Israel and the Phalange in Lebanon and who form one of the American lines of encirclement around the Middle East.

The lines of encirclement extend from the Mediterranean coast to the heart of the Arab world where America has facilities or "friends" and where it has bases on the African coast near the Arab Gulf region. Thusly, the Sixth Fleet in the Mediterranean is consolidated with the Seventh Fleet in the Indian Ocean and the Arabian Sea...and the overall goal is the perfection of the encirclement and threat, and the guaranteed capability of a rapid temporary intervention or a full-scale invasion.

This show of strength led by President Reagan is not isolated from events in the region; rather, it is concurrent with the escalation of the crisis in Lebanon and the defeat suffered by the isolationist Phalange. Washington has publicized the internationalization of Lebanon. This show of strength is not isolated from the increased opposition in Egypt to the Camp David accords and a separate peace with Israel and the appearance of new projects in the region to impose "Arab-Israeli coexistence" through a new version of Camp David.

Also, the strengthening of the Sixth Fleet with this additional striking force comes just after American Secretary of State Haig's visit to the region. This visit had the goal of expanding the American sphere of influence in the region and getting a feel for the opportunities for bringing about coexistence with Israel via old friends, facilities, weapons deals and instilling a fear of remote specters.

In the face of these serious developments and the efforts toward complete encirclement of the Arab world from the Mediterranean to the Arabian Gulf, the importance of the efforts of the Gulf Cooperation Council's foreign ministers to extract the Gulf from the grasp of foreign ties becomes clear. Likewise, events are strengthening the call for spreading Arab oil wealth, especially from the Arabian Gulf states, in order to protect ourselves economically from being subjected to the weapon of colonialist economic aid, which brings with it military bases and facilities.

Our success in this would be responsible for breaking one link in the chain of encirclement around our Arab nation...and would open a way for solving our national issues which is not booby-trapped.

As for America, we don't think that it is aware that its "muscle flexing" does not even scare the small countries, and that the era of military and political bullying ended with the birth of national liberation movements...the lessons from which are many. The seas of the world are not a theater for the din of American fleets, and the skies, despite what they say about "Columbia," are not reserved for American superiority. America knows from its "particular experiences" that when small people are moved to defend their sovereignty and independence they fight with a national conviction that cannot be defeated.

DSN: 1802/675

**RECOMMENDATIONS FOR DEALING WITH LATE GOVERNMENTAL CONTRACTS**

Dubai AL-BAYAN in Arabic 12 Apr 81 p 4

[Article: "Abu Dhabi Advisory Council Recommends Accountability of Officials Responsible For Delay and Low Percentage of Completion in Governmental Projects"]

[Text] The Financial and Economics Committee of the National Advisory Council has emphasized the need to determine delay deficiencies in implementing annual program projects for the Emirate of Abu Dhabi, and to reduce the times of completion. The committee called for determining the causes, in accordance with applicable and valid laws, whether advisors, contractors, or the governmental apparatus, which can not be declared above reproach or not responsible, including the Planning Office.

Yesterday, the committee completed preparing a report about the annual development program for 1981, prepared for submission tomorrow to the Advisory Council.

The committee report said that there is an urgent need to reconsider the methods currently being followed in preparing the annual development program, in which the Planning Office only has an intermediary role, since detailed reports about implementing projects and new requests, the estimate of appropriations, and their debate with each agency, are received separately. The office then establishes proposed appropriations for them, and tries to incorporate them into the annual developmental program.

It has become clear that the office does not have adequate authority to define the basis of selecting projects or distributing them among the different agencies, in accordance with their competencies. Therefore, the projects are incorporated into the program, sometimes without being in accord with the nature of the implementing agency's work, which leads to duplication in carrying out the project, and increases in financial authorizations for it. Therefore, the committee deems it advisable to reconsider the method of preparing the annual developmental program, by granting the Planning Office adequate legal authority to prepare the program on unified bases, in accordance with the information, statistics and studies it has, or with the developmental plans it has, as well as to oversee implementing the projects.

The committee's report stated that there is a decline in the level of completing governmental projects, and that the implementation capability available currently for implementing agencies cannot be increased, as the Planning Office thinks it should be. The report also stated that the low level of completion and lateness in implementing governmental projects, with subsequent rise in costs, is a negative factor, causing an unjustified loss of money, and that there must be an immediate end to the

continuation of this factor, by reconsidering the regulations and legislation applicable to the program's projects, in light of the expertise and operational experience gained over the past few years.

In its report, the committee noted that selection is usually awarded on the basis of the lowest cost, when submitting governmental projects to competitive bidding, but that that, frequently, is at the expense of the level of performance, since the implementing authorities become careless regarding the project's specifications, in order to attain the bid.

The committee also noted that, despite the Office of Planning's optimism in issuing the regulations pertaining to contractor classification, there is a need to raise the quality of specifications in projects submitted for implementation, so that even if that led to raising costs, no long as it achieved the required quality efficiency, the country will have gained economic benefits in the long run.

The committee concluded its report by stating that commitment to the principle of responsibility and accountability should define the causes of deficiency in delays of implementing projects, and the low level in the rate of completion, whether by advisers and contractors, or by the governmental apparatus.

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UNITED ARAB EMIRATES

FEDERAL BUDGET APPROVED FOR 1981

Dubai AL-BAYAN in Arabic 14 Apr 81 p 4

[Article: "General State Budget Approved at 24 Billion Dirhams; Abu Dhabi and Dubai Share Half Their Oil Revenues"]

[Excerpt] The cabinet, at its weekly session yesterday, chaired by His Highness Shaykh Rashed Ibn Sa'id al-Maktum, vice president and prime minister, approved the general budget for the UAE for fiscal year 1981.

Shaykh Hamdan ibn Rashed ibn Sa'id al-Maktum, minister of finance and industry, stated that the cabinet had appropriated 24 billion dirhams for the current year's budget. Abu Dhabi and Dubai have shared 50 percent of their annual oil revenues.

He said that the budget appropriations were a billion dirhams less than the ministries' proposals, which were incorporated into their budgets and submitted to the Finance Ministry. However, the size of the budget is approximately 9 billion dirhams more than last year's budget of 15 billion.

In his statement to the press, the minister said that the cabinet had set the size of the government's general reserve for the current year. This will be authorized on the basis of the size of the programs submitted, but he made it clear that the cabinet has applied an important principle, by earmarking 5 to 10 percent of budget revenues as the government's general reserve, effective next year.

Shaykh Hamdan ibn Rashed concluded his statement by saying that the Supreme Ministerial Committee, whose chairman and membership are composed of the ministers of planning, communications, and state for cabinet affairs, will hold its first meet next Saturday morning, to evaluate the government's general reserve and establish basic foundations for the budget, relative to distributing and disbursing funds over the four parts of the budget.

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UNITED ARAB EMIRATES

CUTBACKS IN AGRICULTURAL APPROPRIATIONS

Abu Dhabi AL-ITTIHAD in Arabic 12 Apr 81 p 2

[Article by Farid Wajdi: "Reduction in Appropriations for New Agricultural Projects, From 522 Million to 175 Million Dirhams"]

[Text] An official source in the Ministry of Agriculture and Fisheries stated that the appropriations, which will be earmarked for agricultural projects this year, will total about 175,000,000 dirhams. The source said that the ministry had asked for an appropriation of 522,000,000 dirhams for these projects. He added that the budget reduction for projects would lead to:

\*Forgetting about 10 new projects, for which the ministry had summoned specialists to study, and which were within the context of the cabinet's decision to task the ministry with achieving food security for the state.

\*Reducing agricultural and fishery subsidy programs and loans from 257,000,000 dirhams to only 80,000,000, and neglecting programs which include introducing modern methods into irrigation and agricultural systems, such as irrigation by sprinkling, extending the modern irrigation networks, and building protective shelters on private farms.

\*Reducing the budget of projects to be completed this year from 181,000,000 to about 80,000,000 dirhams, which would affect infrastructural projects, pertaining to the water and soil boards, equipping the central laboratory, technical studies regarding dams and wadis, development of cleft and manual wells, and plans to study the creation of a center for maritime resources research, and to conserve and store the waters of the small wadis.

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UNITED ARAB EMIRATES

AL-SHARJAH OIL PROJECTIONS

Dubai AL-BAYAN in Arabic 13 Apr 81 p 2

[Article: Oil Meetings in Sharjah; Production Reduced to 10,000 Barrels; Reserves Raised to 3 Billion"]

[Text] It is expected that Sharjah's oil production will reach approximately 90,000 barrels a day, after completion of developmental operations in the "al-Saj'ah" field. It is expected that the Emirate's income from the new fields will reach \$250,000,000 by 1982, and increase to \$1 billion by 1986.

That was reported in a detailed study about oil production development and projections in Sharjah to the year 1986, prepared by the municipality of al-Sharjah.

With regard to the size of Sharjah's oil reserves in both land and sea zones, the study reported that, according to the estimates of Dr Mani' Sa'id al-'Utaybah, minister of oil and mineral resources, the reserves in Sharjah are not less than 3 billion barrels.

A part of the study dealt with the history of oil discovery in the Emirate, when His Highness Shaykh Sultan ibn Muhammad al-Qasimi, member of the Supreme Council, Ruler of al-Sharjah, announced the discovery of oil in 1972, with an average production reaching 13,955 barrels daily. Discoveries followed in succession after drilling agreements were ratified with major international firms.

The study made clear that the daily rate of oil production in Sharjah, in 1974, was 53,866 barrels. Production declined in 1975, by 29 percent, to 38,198 barrels and the production decline continued until 1979, when the rate was 42 percent lower than 1978, or 12,870 barrels per day.

Moreover, the decline continued during the first half of 1980, averaging 10,809 barrels produced daily.

The study stated that setting the selling price of oil is in accordance with decisions adopted by OPEC, measuring Arab light oil at a grade of 34, in addition to the increases imposed on the grade 37 oil produced from the Mubarik field.

Furthermore, oil prices advanced from \$12.815 per barrel in 1976 to \$34 a barrel by 1 May 1980.

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UNITED ARAB EMIRATES

BRIEFS

DELMA ISLAND OIL PROJECT UNDERWAY--UAE President Sheikh Zayed bin Sultan al-Nahyan last week laid the cornerstone for a \$700 million oil industrial project on Delma Island, 250 kilometres northwest of Abu Dhabi. When completed, the project will permit the development of three oilfields which will have an initial production capacity of 40,000 b/d by the end of 1984. The project is to be built by Umm al-Dalakh Industrial Development Company (UDICO), a company established jointly by the Abu Dhabi National Oil Company (ADNOC) and the Japan Oil Development Company (JODCO) in 1979. JODCO has undertaken to spend \$400 million on the project. ADNOC is to pay its share over five years. A UDICO executive told the official UAE news agency that the project involves construction of a main production station and a subsidiary one as well as offshore rigs and pipelines to the Delma, Satah and Garneen oilfields. The industrial zone on the eastern side of the island will also have six storage tanks, each with a capacity of 60,000 cubic metres, a 150-metre long floating quay and a dock for UDICO vessels. In addition, UDICO is to build 350 housing units for workers at the project and their families together with other services. Sheikh Zayed, calling for speedy work on the project, said it should be given all possible support in order to ensure that it measured up to international standards. [Text] [Paris AN-NAHAR ARAB REPORT & MEMO in English 13 Apr 81 p 14]

SHIP CONDUCTS OIL SURVEY--The geophysical research vessel T.W. Nelson arrived at Abu Dhabi last week to conduct a two-month survey of 3,900 square kilometres offshore waters controlled by the Abu Dhabi National Oil Company. The area to be surveyed in Abu Dhabi's northeastern waters by the \$15 million vessel has been explored before but was abandoned by other companies. ADNOC is not, however, convinced by these findings and has commissioned the T.W. Nelson to conduct another search for potential oil and gas formations and to pinpoint drilling sites. The T.W. Nelson is one of the world's largest and most sophisticated geophysical survey ships. It was built in Japan in 1978 and is operated by Mobil Corporation of the US. Equipment on board includes computers to process and interpret geophysical data and mapping services. [Text] [Paris AN-NAHAR ARAB REPORT & MEMO in English 13 Apr 81 p 14]

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